



Health and Family Services

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Health and Family Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,550,522,800	1,871,320,800	1,975,484,400	1,698,732,600	1,777,534,400
Current Year Appropriation	95,300,000				
Salary Compensation Fund	10,857,100				
Base Deduction	-850,400				
Total General Fund	1,655,829,500	1,871,320,800	1,975,484,400	1,698,732,600	1,777,534,400
Tobacco Settlement-Phase I					
Tobacco Settlement - I	27,028,400	27,028,400	27,028,400	22,183,400	23,393,500
Continuing Appropriation	2,828,000	4,800			
Other	-43,900				
Total Tobacco Settlement-Phase I	29,812,500	27,033,200	27,028,400	22,183,400	23,393,500
Restricted Funds					
Balance Forward	36,989,758	28,375,800	22,609,400	12,755,400	3,267,700
Current Receipts	498,490,853	493,653,200	493,169,200	495,028,400	499,876,400
Non-Revenue Receipts	327,576,289	326,665,100	332,711,300	325,542,300	337,500,500
Fund Transfers	-11,251,500			-542,800	-483,000
Total Restricted Funds	851,805,400	848,694,100	848,489,900	832,783,300	840,161,600
Federal Funds					
Balance Forward	36,528,937				
Current Receipts	4,057,740,663	4,144,027,300	4,310,124,600	4,005,264,900	4,119,109,500
Non-Revenue Receipts		60,200	88,800	60,200	88,800
Total Federal Funds	4,094,269,600	4,144,087,500	4,310,213,400	4,005,325,100	4,119,198,300
TOTAL SOURCE OF FUNDS	6,631,717,000	6,891,135,600	7,161,216,100	6,559,024,400	6,760,287,800
EXPENDITURES BY CLASS					
Personnel Cost	650,262,400	712,285,400	735,460,600	639,654,000	633,949,700
Operating Expenses	130,699,900	139,015,800	142,273,200	124,802,400	127,180,200
Grants, Loans or Benefits	5,837,804,000	6,017,029,700	6,273,766,600	5,791,105,000	5,997,694,600
Debt Service					1,172,000
Capital Outlay	195,300	195,300	195,300	195,300	195,300
TOTAL EXPENDITURES	6,618,961,600	6,868,526,200	7,151,695,700	6,555,756,700	6,760,191,800
EXPENDITURES BY FUND SOURCE					
General Fund	1,655,829,500	1,871,320,800	1,975,484,400	1,698,732,600	1,777,438,400
Tobacco Settlement-Phase I	29,812,500	27,033,200	27,028,400	22,183,400	23,393,500
Restricted Funds	839,050,000	826,084,700	838,969,500	829,515,600	840,161,600
Federal Funds	4,094,269,600	4,144,087,500	4,310,213,400	4,005,325,100	4,119,198,300
TOTAL EXPENDITURES	6,618,961,600	6,868,526,200	7,151,695,700	6,555,756,700	6,760,191,800
EXPENDITURES BY UNIT					
General Administration and Program Support	90,412,200	98,019,200	101,216,600	89,461,800	88,425,900
Comm for Children with Special Health Care Needs	17,088,800	18,415,600	18,983,800	17,222,600	17,421,400
Medicaid Services	4,700,052,800	4,799,718,000	5,012,656,300	4,594,812,500	4,738,284,100
Mental Health and Mental Retardation Services	415,185,100	466,493,700	488,279,400	438,427,400	449,390,100
Public Health	325,751,000	336,406,100	339,801,000	325,809,300	330,021,500
Health Policy	1,212,200	1,503,000	1,536,800	1,241,700	1,248,000
Human Support Services	55,730,700	67,132,500	68,668,400	66,681,700	70,806,900
Ombudsman	5,904,300	6,873,200	7,199,600	5,822,000	5,767,400
Disability Determination Services	44,758,000	49,449,800	51,040,700	48,649,800	50,240,700
Community Based Services	962,866,500	1,024,515,100	1,062,313,100	967,627,900	1,008,585,800

TOTAL EXPENDITURES	6,618,961,600	6,868,526,200	7,151,695,700	6,555,756,700	6,760,191,800
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The Cabinet for Health and Family Services is the primary state agency responsible for leadership in protecting and promoting the health and well being of all Kentuckians through the delivery of quality health and human services. The following departments and/or offices comprise the Cabinet for Health and Family Services: Office of the Secretary, Office of Legislative and Public Affairs, Office of the Inspector General, Office of Legal Services, Office of the Ombudsman, Office of Health Policy, Department for Medicaid Services, Department for Mental Health/Mental Retardation Services, Department for Public Health, Department for Community Based Services, Department for Disability Determination Services, Department for Human Support Services, and the Commission for Children with Special Health Care Needs.

Health and Family Services
General Administration and Program Support

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,301,700	38,309,500	39,646,400	35,015,700	34,600,000
Salary Compensation Fund	586,200				
Total General Fund	35,887,900	38,309,500	39,646,400	35,015,700	34,600,000
Restricted Funds					
Balance Forward	5,334,300	6,173,000	4,239,600		
Current Receipts	9,333,600	9,337,900	9,350,000	9,333,600	9,333,600
Non-Revenue Receipts	2,060,900	2,060,900	2,060,900	2,071,800	2,083,900
Fund Transfers	-5,723,000				
Total Restricted Funds	11,005,800	17,571,800	15,650,500	11,405,400	11,417,500
Federal Funds					
Balance Forward	312,400				
Current Receipts	43,206,100	46,377,500	47,980,600	43,040,700	42,408,400
Total Federal Funds	43,518,500	46,377,500	47,980,600	43,040,700	42,408,400
TOTAL SOURCE OF FUNDS	90,412,200	102,258,800	103,277,500	89,461,800	88,425,900
EXPENDITURES BY CLASS					
Personnel Cost	57,167,300	64,630,700	67,836,900	58,314,300	57,058,400
Operating Expenses	33,244,900	33,388,500	33,379,700	31,147,500	31,147,500
Debt Service					220,000
TOTAL EXPENDITURES	90,412,200	98,019,200	101,216,600	89,461,800	88,425,900
EXPENDITURES BY FUND SOURCE					
General Fund	35,887,900	38,309,500	39,646,400	35,015,700	34,600,000
Restricted Funds	11,005,800	13,332,200	13,589,600	11,405,400	11,417,500
Federal Funds	43,518,500	46,377,500	47,980,600	43,040,700	42,408,400
TOTAL EXPENDITURES	90,412,200	98,019,200	101,216,600	89,461,800	88,425,900
EXPENDITURES BY UNIT					
Administrative Support	68,048,000	72,622,300	74,617,900	66,600,800	66,077,300
Inspector General	22,364,200	25,396,900	26,598,700	22,861,000	22,348,600
TOTAL EXPENDITURES	90,412,200	98,019,200	101,216,600	89,461,800	88,425,900

General Administration and Program Support consists of Administrative Support and the Office of the Inspector General.

The Administrative Support area includes the Office of the Secretary, the Office of Legal Services, the Office of Legislative and Public Affairs, the Office of Fiscal Services, the Office of Technology, the Office of Human Resource Management, and the Office of Contract Oversight. These offices provide policy, administrative, legal, financial, and personnel support services to the program areas of the Cabinet.

The Office of the Inspector General provides support to other programs in the Cabinet for Health and Family Services through the Division of Audits and Detection, the Division of Special Investigations, the Division of Regulated Child Care, the Division of Health Care Facilities and Services, and the Division of Fraud, Waste, and Abuse Identification and Prevention.

Health and Family Services
General Administration and Program Support
Administrative Support

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,000,800	31,156,600	32,129,700	28,369,700	28,174,100
Salary Compensation Fund	376,400				
Total General Fund	29,377,200	31,156,600	32,129,700	28,369,700	28,174,100
Restricted Funds					
Balance Forward	2,395,700	3,021,100	2,096,800		
Current Receipts	7,561,100	7,561,100	7,561,100	7,561,100	7,561,100
Non-Revenue Receipts	1,321,100	1,321,100	1,321,100	1,321,100	1,321,100
Fund Transfers	-2,571,100				
Total Restricted Funds	8,706,800	11,903,300	10,979,000	8,882,200	8,882,200
Federal Funds					
Balance Forward	124,100				
Current Receipts	29,839,900	31,659,200	32,539,200	29,348,900	29,021,000
Total Federal Funds	29,964,000	31,659,200	32,539,200	29,348,900	29,021,000
TOTAL SOURCE OF FUNDS	68,048,000	74,719,100	75,647,900	66,600,800	66,077,300
EXPENDITURES BY CLASS					
Personnel Cost	37,609,500	42,056,400	44,060,800	37,444,900	36,701,400
Operating Expenses	30,438,500	30,565,900	30,557,100	29,155,900	29,155,900
Debt Service					220,000
TOTAL EXPENDITURES	68,048,000	72,622,300	74,617,900	66,600,800	66,077,300
EXPENDITURES BY FUND SOURCE					
General Fund	29,377,200	31,156,600	32,129,700	28,369,700	28,174,100
Restricted Funds	8,706,800	9,806,500	9,949,000	8,882,200	8,882,200
Federal Funds	29,964,000	31,659,200	32,539,200	29,348,900	29,021,000
TOTAL EXPENDITURES	68,048,000	72,622,300	74,617,900	66,600,800	66,077,300

Administrative Support provides funding for seven organizational units within the Cabinet for Health and Family Services including the Office of the Secretary, the Office of Legal Services, the Office of Legislative and Public Affairs, the Office of Fiscal Services, the Office of Technology, the Office of Human Resource Management, and the Office of Contract Oversight.

The Office of the Secretary provides oversight and leadership for the Cabinet and its programs.

The Office of Legal Services provides legal advice and assistance to all units of the Cabinet in any legal action in which it may be involved. This office provides legal representation for the Cabinet in federal courts, state courts, and before quasi-judicial and administrative bodies; administers all personal service contracts of the Cabinet for legal services; assists in drafting and reviewing legislation, regulations, statutes, and other legal documents and instruments; and provides the Secretary, Commissioners, and Directors in the Cabinet with the legal advice and representation necessary for them to properly administer the Cabinet's programs.

The Office of Legislative and Public Affairs is responsible for providing qualified administrative law judges/hearing officials to conduct administrative hearings related to Cabinet matters, overseeing and monitoring legislative activities, and representing the Cabinet in matters of public information, including media inquiries, open records requests, press releases, public relations, and internal communications.

The Office of Fiscal Affairs provides overall administrative support including designing, coordinating and documenting all

activities related to budget; reporting and management analysis; providing and tracking accounting and payment services, including travel, for the Cabinet; filing required financial reports; responding to audits of the Cabinet's programs; providing maintenance and security of the accounting systems; monitoring all leased facilities of the Cabinet, including space design and utilization, insurance, on-site facility inspections, general maintenance and construction for the Cabinet's state-owned properties; preparation and maintenance of the Cabinet's Six-Year Capital Plan; coordinating, tracking and monitoring capital construction projects; and maintaining and reporting the inventory of physical assets including record retention.

The Office of Technology is responsible for providing strategic direction and oversight of technology resources for the Cabinet, including technical support services, system security, statewide system services, monitoring technology purchase requests and other technology-related services and initiatives. The Office is also responsible for maintaining high quality technology, managing and maintaining the Cabinet's network, installing and supporting voice communication systems, and supervising the development, operation, and security of the extensive statewide application systems that support direct delivery of statewide services.

The Office of Human Resource Management serves all Cabinet employees and programs and provides payroll and health benefits administration, equal employment opportunity compliance, and professional development and training activities. This Office serves as the Cabinet's appointing authority and performs all the duties, responsibilities and functions required to maintain an effective and efficient personnel management system in accordance with the Kentucky Revised Statutes, Kentucky Administrative Regulations and the policy guidelines of the Secretary of the Cabinet.

The Office of Contract Oversight is responsible for monitoring Cabinet contracts, overseeing the procurement process, providing technical support to Cabinet staff in procurement and contracting procedures, and ensuring compliance with statutes, regulations, policy, and procedures related to procurement and contracting.

Policy

Restricted Fund resources of \$450,000 are provided in fiscal year 2006 for technology expenses associated with developing system interfaces required to transition to the new eMARS statewide accounting system on July 1, 2006.

The Budget of the Commonwealth includes General Fund in the amount of \$50,000 each year of the biennium to support the operations of the Telehealth and e-Health Boards.

General Fund money of \$220,000 is provided in fiscal year 2008 to support a half-year debt service for the Safeguarding Children at Risk (TWIST Rewrite - Phase II) project also known as The Workers Information System (TWIST).

Health and Family Services
General Administration and Program Support
Inspector General

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,300,900	7,152,900	7,516,700	6,646,000	6,425,900
Salary Compensation Fund	209,800				
Total General Fund	6,510,700	7,152,900	7,516,700	6,646,000	6,425,900
Restricted Funds					
Balance Forward	2,938,600	3,151,900	2,142,800		
Current Receipts	1,772,500	1,776,800	1,788,900	1,772,500	1,772,500
Non-Revenue Receipts	739,800	739,800	739,800	750,700	762,800
Fund Transfers	-3,151,900				
Total Restricted Funds	2,299,000	5,668,500	4,671,500	2,523,200	2,535,300
Federal Funds					
Balance Forward	188,300				
Current Receipts	13,366,200	14,718,300	15,441,400	13,691,800	13,387,400
Total Federal Funds	13,554,500	14,718,300	15,441,400	13,691,800	13,387,400
TOTAL SOURCE OF FUNDS	22,364,200	27,539,700	27,629,600	22,861,000	22,348,600
EXPENDITURES BY CLASS					
Personnel Cost	19,557,800	22,574,300	23,776,100	20,869,400	20,357,000
Operating Expenses	2,806,400	2,822,600	2,822,600	1,991,600	1,991,600
TOTAL EXPENDITURES	22,364,200	25,396,900	26,598,700	22,861,000	22,348,600
EXPENDITURES BY FUND SOURCE					
General Fund	6,510,700	7,152,900	7,516,700	6,646,000	6,425,900
Restricted Funds	2,299,000	3,525,700	3,640,600	2,523,200	2,535,300
Federal Funds	13,554,500	14,718,300	15,441,400	13,691,800	13,387,400
TOTAL EXPENDITURES	22,364,200	25,396,900	26,598,700	22,861,000	22,348,600

The Office of the Inspector General has five divisions: the Division of Audits and Detection, the Division of Special Investigations, the Division of Regulated Child Care, the Division of Fraud, Waste and Abuse/Identification and Prevention, and the Division of Health Care Facilities and Services. The general authority for the Office of the Inspector General is codified within KRS 194A.030.

The Division of Audits and Detection (DOAD) examine Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030, the Division is responsible for the conduct of audits of programs within the Cabinet for Health and Family Services, their grantees and contractors. These include audits of nursing homes, home health agencies, Mental Health/Mental Retardation Boards, primary care centers, psychiatric hospitals, adult day care facilities, spouse abuse centers, child care centers, the Supports for Community Living Program, community action agencies, and child support programs. The DOAD also conducts preliminary investigations of alleged fraud and abuse, which are received over the Medicaid fraud hotline (mandated by KRS 205.8483 and 42 CFR 455) and other Medicaid fraud referrals. DOAD also acts as an independent appraisal function within the Cabinet to examine and evaluate its financial and management activities.

The Division of Special Investigations conducts investigations to detect fraud or abuse of any program by any client, or by any vendor of services with whom the Cabinet has contracted. It conducts special investigations requested by the Secretary, commissioners, or agency heads into matters related to the Cabinet and its programs. The Division notifies and forwards any information relevant to possible criminal violations to the appropriate prosecuting authority. The Division operates a toll-free welfare and Medicaid fraud and abuse hotline, conducts investigations of Women, Infants, and Children (WIC) program

vendors, and collects and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General.

The Division of Regulated Child Care is charged with the licensing of certified Family Day Care homes, licensed day care centers (Type I and II), child caring facilities, child-placing agencies, and private adoptive service agencies. This includes initial licensure surveys, yearly re-licensure surveys, and complaint surveys. The division also rates child care centers as part of the voluntary STARS for KIDS NOW quality initiative.

The Division of Fraud, Waste and Abuse/Identification and Prevention is responsible for planning, developing, and directing agency efforts to identify and prevent fraud, waste and abuse in the Medicaid program, and all other assistance programs administered by the Cabinet for Health and Family Services. The Division is responsible for Medicaid and health care provider, and Medicaid and welfare recipient, surveillance and utilization review, and notification on all issues of administrative compliance and enforcement, including recovery of funds. The Division is responsible for administering the enhanced KASPER (Kentucky All Schedule Prescription Enforcement Reporting) system by fully utilizing this database for all purposes under the law and maximizing the potential for this monitoring system. The Division is also responsible for specialized regulatory enforcement matters involving the dispensing of controlled substances in the Commonwealth, and policy analysis for recommendations to the respective programs within the Cabinet.

The Division of Health Care Facilities and Services conducts on-site inspections of all health facilities and services throughout the state (including over 2,600 laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. The Division also investigates allegations of abuse and neglect that may occur in a licensed health facility.

Policy

The Budget of the Commonwealth includes Federal Fund and Restricted Fund resources totaling \$1.3 million in fiscal year 2007 and \$1.4 million in fiscal year 2008 to support 17 full-time positions for public assistance fraud investigations previously contracted through the Office of the Attorney General.

General Fund and Federal Fund resources totaling \$2,000,000 each year are also included in the Budget of the Commonwealth to support 34 additional personnel in the Office of the Inspector General to reduce fraud and abuse in federal programs.

Health and Family Services
Commission for Children with Special Health Care Needs

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,490,500	6,795,800	6,785,700	5,835,400	5,917,000
Salary Compensation Fund	125,200				
Base Deduction	-123,800				
Total General Fund	5,491,900	6,795,800	6,785,700	5,835,400	5,917,000
Tobacco Settlement-Phase I					
Tobacco Settlement - I	455,000	455,000	455,000	312,100	352,000
Continuing Appropriation	48,700	4,800			
Other	-43,900				
Total Tobacco Settlement-Phase I	459,800	459,800	455,000	312,100	352,000
Restricted Funds					
Balance Forward	500				
Current Receipts	6,669,700	6,781,000	7,364,100	6,696,100	6,773,400
Fund Transfers	-500				
Total Restricted Funds	6,669,700	6,781,000	7,364,100	6,696,100	6,773,400
Federal Funds					
Balance Forward	257,500				
Current Receipts	4,209,900	4,379,000	4,379,000	4,379,000	4,379,000
Total Federal Funds	4,467,400	4,379,000	4,379,000	4,379,000	4,379,000
TOTAL SOURCE OF FUNDS	17,088,800	18,415,600	18,983,800	17,222,600	17,421,400
EXPENDITURES BY CLASS					
Personnel Cost	9,175,300	10,459,700	11,034,500	9,456,800	9,615,700
Operating Expenses	1,487,900	1,528,500	1,528,500	1,487,900	1,487,900
Grants, Loans or Benefits	6,425,600	6,427,400	6,420,800	6,277,900	6,317,800
TOTAL EXPENDITURES	17,088,800	18,415,600	18,983,800	17,222,600	17,421,400
EXPENDITURES BY FUND SOURCE					
General Fund	5,491,900	6,795,800	6,785,700	5,835,400	5,917,000
Tobacco Settlement-Phase I	459,800	459,800	455,000	312,100	352,000
Restricted Funds	6,669,700	6,781,000	7,364,100	6,696,100	6,773,400
Federal Funds	4,467,400	4,379,000	4,379,000	4,379,000	4,379,000
TOTAL EXPENDITURES	17,088,800	18,415,600	18,983,800	17,222,600	17,421,400

The Commission for Children with Special Health Care Needs has over 80 years experience in providing care for children with a variety of special needs. Through the years, the Commission has evolved from providing surgeries for "crippled children" to offering comprehensive medical care for children with a range of complex needs. A family-centered approach ensures that the family is valued as an integral part of the care plan and services are provided to assist the family in meeting children's needs.

The Commission is charged with planning, developing, providing, and evaluating the public statewide system of care for children with special health care needs and providing early intervention services pursuant to:

- KRS 200.460 to 200.499: authorizes the Commission's functions;
- 902 KAR 4:070: the Commission's regulatory authority;

- KRS 200.550 and 200.560: authorizes the Hemophilia program;
- 911 KAR 1:080 SSI: Children's Support Services (SSI/CSS) mandated by the Maternal and Child Health Block Grant authorized at the federal level by Title V of the Social Security Act;
- 911 KAR 1:085: Universal Newborn Hearing Screening Grant Program.

The Commission for Children with Special Health Care Needs works collaboratively with other agencies to assure services to children with disabilities are comprehensive, community-based, family-centered, and coordinated, thus avoiding duplication and fragmentation of the service delivery system. Accessibility is a key component of the delivery system.

The family's financial status plays a role in determining whether the child is accepted into the Children with Special Health Care Needs Program and the Hemophilia Program. All families with incomes at or below 200 percent of the federal poverty level are accepted. A sliding fee scale based on income and number in household determines what percentage of the cost each family pays for treatment. Individuals who fall outside the program's income guidelines can also receive services through the Commission if they reside in medically under-served areas of the state, though the family is required to reimburse the Commission for treatment costs. This allows the Commission to further assist in communities where specialized medical care is unavailable.

The Commission has several ongoing initiatives. These include: the implementation of a Care Coordination and Quality Management Model for the agency's clinical programs, the CHAMPIONS Grant to increase parental involvement, Universal Newborn Hearing Screening, and other collaborations with community and statewide partners. The Commission also operates VISION, a vision examination program that is part of the Early Childhood Development program.

Health and Family Services
Medicaid Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	942,462,500	1,138,259,100	1,196,294,000	1,039,460,300	1,077,538,700
Current Year Appropriation	85,300,000				
Salary Compensation Fund	137,800				
Total General Fund	<u>1,027,900,300</u>	<u>1,138,259,100</u>	<u>1,196,294,000</u>	<u>1,039,460,300</u>	<u>1,077,538,700</u>
Restricted Funds					
Balance Forward	10,661,887	5,189,400	2,824,000	5,189,400	2,824,000
Current Receipts	94,931,176	76,931,100	76,646,000	76,931,100	76,646,000
Non-Revenue Receipts	322,739,237	318,179,000	322,415,100	318,179,000	322,415,100
Total Restricted Funds	<u>428,332,300</u>	<u>400,299,500</u>	<u>401,885,100</u>	<u>400,299,500</u>	<u>401,885,100</u>
Federal Funds					
Balance Forward	23,343,289				
Current Receipts	3,225,666,311	3,263,983,400	3,414,477,200	3,157,876,700	3,258,860,300
Total Federal Funds	<u>3,249,009,600</u>	<u>3,263,983,400</u>	<u>3,414,477,200</u>	<u>3,157,876,700</u>	<u>3,258,860,300</u>
TOTAL SOURCE OF FUNDS	<u>4,705,242,200</u>	<u>4,802,542,000</u>	<u>5,012,656,300</u>	<u>4,597,636,500</u>	<u>4,738,284,100</u>
EXPENDITURES BY CLASS					
Personnel Cost	103,185,700	81,583,500	70,517,600	77,438,500	64,340,000
Operating Expenses	2,358,900	1,280,600	1,274,500	1,280,600	1,274,500
Grants, Loans or Benefits	4,594,508,200	4,716,853,900	4,940,864,200	4,516,093,400	4,672,669,600
TOTAL EXPENDITURES	<u>4,700,052,800</u>	<u>4,799,718,000</u>	<u>5,012,656,300</u>	<u>4,594,812,500</u>	<u>4,738,284,100</u>
EXPENDITURES BY FUND SOURCE					
General Fund	1,027,900,300	1,138,259,100	1,196,294,000	1,039,460,300	1,077,538,700
Restricted Funds	423,142,900	397,475,500	401,885,100	397,475,500	401,885,100
Federal Funds	3,249,009,600	3,263,983,400	3,414,477,200	3,157,876,700	3,258,860,300
TOTAL EXPENDITURES	<u>4,700,052,800</u>	<u>4,799,718,000</u>	<u>5,012,656,300</u>	<u>4,594,812,500</u>	<u>4,738,284,100</u>
EXPENDITURES BY UNIT					
Medicaid Administration	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100
Medicaid Benefits	4,569,096,500	4,686,670,100	4,910,377,600	4,485,909,600	4,642,183,000
TOTAL EXPENDITURES	<u>4,700,052,800</u>	<u>4,799,718,000</u>	<u>5,012,656,300</u>	<u>4,594,812,500</u>	<u>4,738,284,100</u>

Two major programs operate within the Department for Medicaid Services: the Kentucky Medical Assistance Program (regular Medicaid program) and the Kentucky Children's Health Insurance program (K-CHIP). The Medical Assistance program provides for comprehensive physical and behavioral health services by reimbursing providers for health care provided to medically indigent Kentuckians. Eligibility for services is determined by staff in county Department for Community Based Services offices. Individuals may automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration. K-CHIP provides for comprehensive physical and behavioral health services for uninsured children who are not eligible for Medicaid up to 200 percent of the federal poverty level.

**Health and Family Services
Medicaid Services
Medicaid Administration**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,067,000	40,113,600	39,693,400	37,882,400	36,441,700
Current Year Appropriation	17,198,900				
Salary Compensation Fund	137,800				
Total General Fund	34,403,700	40,113,600	39,693,400	37,882,400	36,441,700
Restricted Funds					
Non-Revenue Receipts	18,306,000	14,075,000	13,080,000	14,075,000	13,080,000
Total Restricted Funds	18,306,000	14,075,000	13,080,000	14,075,000	13,080,000
Federal Funds					
Balance Forward	1,995,272				
Current Receipts	76,251,328	58,859,300	49,505,300	56,945,500	46,579,400
Total Federal Funds	78,246,600	58,859,300	49,505,300	56,945,500	46,579,400
TOTAL SOURCE OF FUNDS	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100
EXPENDITURES BY CLASS					
Personnel Cost	103,185,700	81,583,500	70,517,600	77,438,500	64,340,000
Operating Expenses	2,358,900	1,280,600	1,274,500	1,280,600	1,274,500
Grants, Loans or Benefits	25,411,700	30,183,800	30,486,600	30,183,800	30,486,600
TOTAL EXPENDITURES	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100
EXPENDITURES BY FUND SOURCE					
General Fund	34,403,700	40,113,600	39,693,400	37,882,400	36,441,700
Restricted Funds	18,306,000	14,075,000	13,080,000	14,075,000	13,080,000
Federal Funds	78,246,600	58,859,300	49,505,300	56,945,500	46,579,400
TOTAL EXPENDITURES	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100
EXPENDITURES BY UNIT					
Medical Assistance Administration	129,603,500	111,503,700	100,664,300	107,551,200	94,705,700
KCHIP Administration	1,352,800	1,544,200	1,614,400	1,351,700	1,395,400
TOTAL EXPENDITURES	130,956,300	113,047,900	102,278,700	108,902,900	96,101,100

Administrative functions of the Medicaid program and the Kentucky Children's Health Insurance program (KCHIP) include: determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization and collecting third party liabilities, overpayments and cost reimbursement settlements. Claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and reviews of care for recipients in mental hospitals and psychiatric facilities. The Department for Community Based Services performs the eligibility determination function through contract.

The Department also administers KCHIP, the Kentucky Children's Health Insurance Program. This program provides health care services for uninsured children with family incomes below 200 percent of the federal poverty level but above the federal poverty level for the Medicaid Program.

Policy

Included in the General Fund is \$17,198,900 and \$24,271,000 of Federal Funds in FY 2005-2006 to enable the department

to move forward with Medicaid modernization. This increase in funds is continued through the 2006-2008 biennium.

The state funded portion of the Medicaid Eligibility contract between the Department for Medicaid Services and the Department for Community Based Services is as follows:

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>
State Funds	\$16,089,900	\$16,291,800

The state funded portion shall be transferred from the Department for Medicaid Services to the Department for Community Based Services.

Health and Family Services
Medicaid Services
Medicaid Benefits

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	925,395,500	1,098,145,500	1,156,600,600	1,001,577,900	1,041,097,000
Current Year Appropriation	68,101,100				
Total General Fund	993,496,600	1,098,145,500	1,156,600,600	1,001,577,900	1,041,097,000
Restricted Funds					
Balance Forward	10,661,887	5,189,400	2,824,000	5,189,400	2,824,000
Current Receipts	94,931,176	76,931,100	76,646,000	76,931,100	76,646,000
Non-Revenue Receipts	304,433,237	304,104,000	309,335,100	304,104,000	309,335,100
Total Restricted Funds	410,026,300	386,224,500	388,805,100	386,224,500	388,805,100
Federal Funds					
Balance Forward	21,348,017				
Current Receipts	3,149,414,983	3,205,124,100	3,364,971,900	3,100,931,200	3,212,280,900
Total Federal Funds	3,170,763,000	3,205,124,100	3,364,971,900	3,100,931,200	3,212,280,900
TOTAL SOURCE OF FUNDS	4,574,285,900	4,689,494,100	4,910,377,600	4,488,733,600	4,642,183,000
EXPENDITURES BY CLASS					
Grants, Loans or Benefits	4,569,096,500	4,686,670,100	4,910,377,600	4,485,909,600	4,642,183,000
TOTAL EXPENDITURES	4,569,096,500	4,686,670,100	4,910,377,600	4,485,909,600	4,642,183,000
EXPENDITURES BY FUND SOURCE					
General Fund	993,496,600	1,098,145,500	1,156,600,600	1,001,577,900	1,041,097,000
Restricted Funds	404,836,900	383,400,500	388,805,100	383,400,500	388,805,100
Federal Funds	3,170,763,000	3,205,124,100	3,364,971,900	3,100,931,200	3,212,280,900
TOTAL EXPENDITURES	4,569,096,500	4,686,670,100	4,910,377,600	4,485,909,600	4,642,183,000
EXPENDITURES BY UNIT					
Medicaid Benefits	4,468,137,200	4,581,901,900	4,802,143,500	4,381,141,400	4,533,948,900
KCHIP Benefits	100,959,300	104,768,200	108,234,100	104,768,200	108,234,100
TOTAL EXPENDITURES	4,569,096,500	4,686,670,100	4,910,377,600	4,485,909,600	4,642,183,000

The Kentucky Medicaid program, under Title XIX of the Social Security Act and KRS 205.520, provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the income and resource criteria for eligibility. The following services are currently provided by Kentucky's Medicaid program: inpatient hospital, physician services, nursing facility services, outpatient hospital, home health, family planning, screening, lab, dental, transportation (both non-emergency and emergency), vision care, hearing care, intermediate care facilities for the mentally retarded (ICF/MR), pharmacy, Medicare premiums, community mental health, mental hospitals, psychiatric residential treatment facilities (PRTFs), renal dialysis services, primary care/rural health, podiatry, alternative intermediate services for mentally retarded (Supports for Community Living (SCL)), ambulatory surgical centers, home and community-based waiver (HCBS), adult day care, nurse midwife, nurse anesthetist, Hospice, preventive services, targeted case management, school-based services, home-based services for children who are ventilator dependent, durable medical equipment, portable x-ray, nurse practitioners, chiropractor, and other medically necessary diagnostic and treatment services for children in the Early Periodic Screening Diagnostic and Treatment Program (EPSDT). In addition, co-payments and deductibles are paid for qualified Medicare beneficiaries receiving the following services: physical therapy, occupational therapy, psychological, licensed clinical social worker, physician assistant, and comprehensive outpatient rehabilitative facility services.

Kentucky Medical Assistance Program (KMAP) Recipient Groups

Individuals who are eligible for KMAP benefits are classified into two groups: those who already qualify for some type of financial assistance due to eligibility for another program (categorically eligible) and those eligible for medical assistance only (medically needy).

Categorically Eligible: This group includes the following individuals: needy families with dependent children, foster care children, adults 65 years of age or older with income below eligibility criteria, the needy blind, and the needy permanently and totally disabled. Individuals in this group may receive grant money from Temporary Assistance to Needy Families (TANF), State Supplementation, or the Supplemental Security Income (SSI) programs. Any SSI or State Supplementation recipient as well as individuals who meet the technical and financial requirements of the Aid to Families with Dependent Children (AFDC) program as it existed on July 16, 1996, can qualify for Medicaid.

Medically Needy: Individuals in this group have incomes or resources above the established level to qualify for financial assistance to meet basic needs, but have insufficient income to meet all or part of their medical needs. This group includes: pregnant women and infants in households with income less than 185 percent of the Federal Poverty Level (FPL); children under age six with household income under 133 percent of FPL; and children, ages six to 19 years in families with income not exceeding 100 percent of the FPL.

2005 Poverty Guidelines	
<u>Family Size</u>	<u>Monthly Income</u>
1	\$798
2	\$1,069
3	\$1,341
4	\$1,613
5	\$1,884
6	\$2,156
7	\$2,428
8	\$2,699

Although the aged, blind, and disabled (both categorically and medically needy) represent only 43 percent of the recipient population, they account for approximately 69 percent of expenditures. The recommended budget assumes average monthly Medicaid eligibles of 717,458 in fiscal year 2007 and 731,191 in fiscal year 2008, and 50,000 each year for KCHIP eligibles.

Projecting Benefits Cost

Several forecasting models were combined in the preparation of the Medicaid Benefits projections. Both the Office of State Budget Director (OSBD) and the Department for Medicaid Services (DMS) prepared service-by-service cash forecasts. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures for each classification of medical service (the hypothesis is that the best predictor of future expenditures is past expenditures – adjusted for policy changes). In addition to the cash models, the DMS and the OSBD operate a more elaborate proprietary model developed by a third-party consulting firm, PriceWaterhouseCoopers (PWC). That model includes a separate forecast of eligibility for each class of Medicaid recipient: Aged, Blind, Disabled; TANF/SOBRA children (with and without Medicaid); TANF/SOBRA adults (with and without Medicare); categorical eligibility associated with foster care; and a residual category for all other eligibility categories. Eligibility is used to transform the expenditure data into a “cost per eligible” for seven bundles of Medicaid services.

Provider Taxes

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 20 percent of the program’s fiscal year 2007 and 2008 expenditure match will be secured from dedicated provider assessments. The assessments are levied on hospitals, home health agencies, alternative community services, long-term care facilities and Passport Managed Care organization. The enacted budget assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in SFY 2006. Hospital Provider Tax collections from SFY 2006 in excess of \$180 million shall be used to further enhance reimbursement for Hospitals.

Disproportionate Share Hospital (DSH) Payments

The enacted budget includes funding for Disproportionate Share Hospital (DSH) payments of \$197,196,650 in fiscal year 2006 and \$196,289,738 in fiscal year 2007 and 2008. Disproportionate Share Hospital payments to state mental hospitals are

budgeted at approximately \$34,727,020 in fiscal year 2006 and \$34,567,310 in each year of the biennium. This budget includes match from the university teaching hospitals in order to access the portion of DSH funds for those facilities.

Passport Managed Care Plan

The enacted budget assumes that the Region Three Medicaid managed care partnership (Jefferson and surrounding counties) will continue to operate.

Benefit Match Rate

The enacted budget assumes a federal medical assistance percentage (FMAP) of 69.50 percent for state fiscal year 2007 and 69.58 percent for state fiscal year 2008. The federal Medicaid match rate assumed for KCHIP is 78.65 percent in fiscal year 2007 and 78.71 percent in fiscal year 2008.

Quality and Charity Care Trust Fund

To the extent that all parties agree, the General Fund appropriation of the Quality and Charity Care Trust Fund may be transferred to the Department for Medicaid Services Benefits.

Kentucky Children's Health Insurance Program (KCHIP)

The Kentucky Children's Health Insurance program was initiated under Title XXI of the Social Security Act and serves eligible children up to 200 percent of the federal poverty level.

The enacted budget funds KCHIP at a total of \$104,768,200 in fiscal year 2007 (50,000 children) and \$108,234,100 in fiscal year 2008 (50,000 children). The budget anticipates the continued spend-down of state funds from the "Kentucky Children's Health Insurance Program Trust Fund" as established in KRS 205.6478 and reallocated Federal Funds from other states unspent CHIP allocations. This would carry Kentucky's CHIP program through the 2006-2008 biennium. However, as other states' CHIP programs accelerate, there will be fewer funds available for reallocation in future periods, which could leave Kentucky's CHIP program seriously underfunded in future biennia.

Medicare Part D

The enacted budget includes the projected impact of implementation of the Medicare Part D Pharmacy program which began January 1, 2006.

Policy

The federal government recently approved a major overhaul of the Kentucky Medicaid program, making it the first state to implement comprehensive Medicaid reform under the Deficit Reduction Act passed by Congress in 2005. Together with modifications to the State Plan and existing federal waivers, Kentucky's low-income, disabled and elderly beneficiaries will have access to benefits tailored to their specific needs. The mission of "KyHealth Choices" is to improve the health status of Kentuckians enrolled in the Medicaid program; provide a continuum of care options; expand individual choice and engagement; and ensure the future solvency of the Medicaid program.

Under the new plan, Medicaid recipients will be placed in one of four major benefit plans:

- Global Choices—serving the general Medicaid population
- Comprehensive Choices—serving elderly individuals in need of nursing facility level of care and those with acquired brain injury
- Family Choices—serving children
- Optimum Choices—serving individuals with mental retardation and developmental disabilities in need of long-term care

Included in the enacted budget for fiscal year 2005-2006 is an additional \$288,265,900 to offset a projected Medicaid Benefits shortfall consisting of a General Fund appropriation of \$68,101,100, an additional Restricted Fund appropriation of \$5,021,900 and an additional Federal Fund appropriation of \$215,142,900.

The enacted budget provides additional funds of \$6,187,500 (100 slots) in fiscal year 2006-2007 and \$21,312,500 (100 slots) in fiscal year 2007-2008 for a total of 200 slots by the end of fiscal year 2008 to continue the rollout of the Supports for Community Living program.

The enacted budget includes \$700,000 in Restricted Funds and \$1,595,100 in Federal Funds in fiscal year 2006-2007 and \$700,000 in Restricted Funds and \$1,601,100 in Federal Funds to increase rates for Adult Day Care services.

The enacted budget includes \$250,000 in Restricted Funds and \$569,700 in Federal Funds in fiscal year 2006-2007 and \$250,000 in Restricted Funds and \$571,800 in Federal Funds in fiscal year 2007-2008 to expand school-based health services.

The enacted budget includes funding to continue and ambulance reimbursement fee increase at the level established by the 2005 General Assembly.

The enacted budget includes \$1,000,000 in General Fund and \$2,278,700 in Federal Funds in fiscal year 2006-2007 and \$1,000,000 in General Fund and \$2,287,300 in Federal Funds in fiscal year 2007-2008 to expand Model II Waiver services to approximately 40 additional ventilator-dependent patients.

The enacted budget includes \$150,000 in Restricted Funds and \$341,800 in Federal Funds in fiscal year 2006-2007 and \$150,000 in Restricted Funds and \$343,100 in Federal Funds in fiscal year 2007-2008 to expand the Breast and Cervical Cancer Treatment Services Program.

The enacted budget includes \$1,000,000 in General Fund and \$2,278,700 in Federal Funds in fiscal year 2006-2007 and \$1,000,000 in General Fund and \$2,287,300 in Federal Funds in fiscal year 2007-2008 to support 65 additional individuals through the Acquired Brain Injury Waiver Program.

Health and Family Services
Mental Health and Mental Retardation Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	166,163,700	214,237,600	234,827,500	185,755,200	194,117,600
Salary Compensation Fund	2,605,400				
Total General Fund	168,769,100	214,237,600	234,827,500	185,755,200	194,117,600
Tobacco Settlement-Phase I					
Tobacco Settlement - I	900,000	900,000	900,000	800,000	800,000
Total Tobacco Settlement-Phase I	900,000	900,000	900,000	800,000	800,000
Restricted Funds					
Balance Forward	1,209,096				
Current Receipts	190,999,752	192,946,000	194,737,900	195,829,500	199,033,800
Non-Revenue Receipts	10,504,652	11,758,900	11,781,000	11,742,500	11,756,700
Total Restricted Funds	202,713,500	204,704,900	206,518,900	207,572,000	210,790,500
Federal Funds					
Balance Forward	9,639				
Current Receipts	42,792,861	46,591,000	45,944,200	44,240,000	43,593,200
Non-Revenue Receipts		60,200	88,800	60,200	88,800
Total Federal Funds	42,802,500	46,651,200	46,033,000	44,300,200	43,682,000
TOTAL SOURCE OF FUNDS	415,185,100	466,493,700	488,279,400	438,427,400	449,390,100
EXPENDITURES BY CLASS					
Personnel Cost	156,719,600	184,336,000	195,976,700	165,376,800	169,472,700
Operating Expenses	26,719,400	29,777,300	32,199,800	26,769,900	29,112,000
Grants, Loans or Benefits	231,550,800	252,185,100	259,907,600	246,085,400	250,509,100
Debt Service					101,000
Capital Outlay	195,300	195,300	195,300	195,300	195,300
TOTAL EXPENDITURES	415,185,100	466,493,700	488,279,400	438,427,400	449,390,100
EXPENDITURES BY FUND SOURCE					
General Fund	168,769,100	214,237,600	234,827,500	185,755,200	194,117,600
Tobacco Settlement-Phase I	900,000	900,000	900,000	800,000	800,000
Restricted Funds	202,713,500	204,704,900	206,518,900	207,572,000	210,790,500
Federal Funds	42,802,500	46,651,200	46,033,000	44,300,200	43,682,000
TOTAL EXPENDITURES	415,185,100	466,493,700	488,279,400	438,427,400	449,390,100
EXPENDITURES BY UNIT					
Community Mental Health & Substance Abuse Svcs	113,766,400	120,587,900	121,495,900	118,715,800	118,231,700
Community Mental Retardation Services	29,252,100	37,909,000	43,870,200	37,158,800	42,334,300
General Mental Health/Mental Retardation Support	30,013,100	31,583,100	32,599,800	30,013,100	30,013,100
Residential Mental Health/Mental Retardation	242,153,500	276,413,700	290,313,500	252,539,700	258,811,000
TOTAL EXPENDITURES	415,185,100	466,493,700	488,279,400	438,427,400	449,390,100

The Department for Mental Health/Mental Retardation Services operates mental health, mental retardation, substance abuse, developmental disability and brain injury programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Over 1,400 inpatients are cared for daily in the facilities operated or contracted by the cabinet, and several thousand more are treated as outpatients in the community setting by the 14 Regional Mental Health and Mental Retardation Boards.

Health and Family Services
Mental Health and Mental Retardation Services
Community Mental Health & Substance Abuse Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,442,600	46,591,100	48,033,300	47,170,000	47,220,100
Total General Fund	43,442,600	46,591,100	48,033,300	47,170,000	47,220,100
Tobacco Settlement-Phase I					
Tobacco Settlement - I	900,000	900,000	900,000	800,000	800,000
Total Tobacco Settlement-Phase I	900,000	900,000	900,000	800,000	800,000
Restricted Funds					
Balance Forward	1,189,183				
Current Receipts	22,318,200	22,318,200	22,318,200	22,334,600	22,342,500
Non-Revenue Receipts	8,203,817	9,409,400	9,417,300	9,393,000	9,393,000
Total Restricted Funds	31,711,200	31,727,600	31,735,500	31,727,600	31,735,500
Federal Funds					
Balance Forward	1,369				
Current Receipts	37,711,231	41,369,200	40,827,100	39,018,200	38,476,100
Total Federal Funds	37,712,600	41,369,200	40,827,100	39,018,200	38,476,100
TOTAL SOURCE OF FUNDS	113,766,400	120,587,900	121,495,900	118,715,800	118,231,700
EXPENDITURES BY CLASS					
Personnel Cost	7,989,800	8,996,800	9,208,400	11,735,900	11,802,000
Operating Expenses	452,400	477,400	477,400	452,400	452,400
Grants, Loans or Benefits	105,324,200	111,113,700	111,810,100	106,527,500	105,977,300
TOTAL EXPENDITURES	113,766,400	120,587,900	121,495,900	118,715,800	118,231,700
EXPENDITURES BY FUND SOURCE					
General Fund	43,442,600	46,591,100	48,033,300	47,170,000	47,220,100
Tobacco Settlement-Phase I	900,000	900,000	900,000	800,000	800,000
Restricted Funds	31,711,200	31,727,600	31,735,500	31,727,600	31,735,500
Federal Funds	37,712,600	41,369,200	40,827,100	39,018,200	38,476,100
TOTAL EXPENDITURES	113,766,400	120,587,900	121,495,900	118,715,800	118,231,700
EXPENDITURES BY UNIT					
Community Alcohol and Drug Services	38,770,300	42,644,100	42,935,200	38,870,300	38,870,300
Community Mental Health Services	74,996,100	77,943,800	78,560,700	79,845,500	79,361,400
TOTAL EXPENDITURES	113,766,400	120,587,900	121,495,900	118,715,800	118,231,700

Community Mental Health Services

The Community Mental Health Services program provides services and support to Kentuckians with mental health problems in an effort to improve their ability to function in the community. The Department for Mental Health and Mental Retardation Services contracts with 14 regional Mental Health/Mental Retardation Boards that oversee the community mental health centers and other local entities. In addition, the Community Mental Health Services program has targeted funds to the most vulnerable. These are:

- adults with severe mental illness (KRS 210, KRS 202A);
- children and youth with severe emotional disabilities (KRS 200.500 to KRS 200.509); and
- persons with acquired traumatic brain injury (KRS 211.470 to KRS 211.478).

In accordance with KRS 210.410, community mental health centers must provide persons with mental health problems with specific services such as: consultation and educational services to help individuals understand their illnesses and treatment options; therapeutic rehabilitation programs, where individuals with mental illness may receive services to assist them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to state or community hospitals.

State and federal funds are used to provide case management services, psychotropic medications, and housing and vocational support services for adults with severe mental illness. Funds are also provided for unique services that “wrap around” a child or adult who is at risk of psychiatric hospitalization. These funds are used to purchase goods and services that are individualized and can include peer mentoring, respite, and social skills training.

The Community Mental Health program assists in statewide mental health planning, monitors services, provides technical assistance and training, and procures and administers federal and other funds for the mental health community.

The mission of the Brain Injury Services Unit is to provide comprehensive services and support to persons with acquired brain injuries and their families. The Brain Injury Services Unit administers the programmatic aspects of the Medicaid Acquired Brain Injury Waiver Program and oversees the administration of the Traumatic Brain Injury Trust Fund. The trust fund receives a portion of fees imposed for violations of certain traffic laws and convictions for driving under the influence (DUI) violations.

Community Alcohol and Drug Services

The Community Alcohol and Drug Services Program provides quality treatment, prevention, and education services to citizens suffering from, or at-risk of, alcohol and drug addiction. Services are provided primarily through contracts with 14 regional Mental Health/Mental Retardation Boards that oversee the Community Mental Health Centers. These substance abuse prevention and treatment services are provided pursuant to KRS 222 (Alcohol and Drug Education, Treatment, and Rehabilitation). The receipts from alcohol intoxication fines are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (Driving Under the Influence assessment, education, and treatment) and KRS 218A.410 (Drug Forfeiture).

The Department contracts with community mental health centers and their subcontractors, schools, local government agencies, and other community-based organizations to provide services which include: community prevention programming (offered through 14 regional prevention centers); juvenile diversion programs; DUI assessment, education, and treatment programs; consultation with businesses on the development of a drug-free work place and employee assistance programs; social setting detoxification centers, residential treatment centers, outpatient treatment and case management services; and specialized treatment services for pregnant women, women with dependent children, adolescents, and intravenous drug users. In addition, opiate replacement therapy is available to opiate dependent persons who are at high risk for HIV/AIDS due to their intravenous drug use. Training, consultation and client evaluations are made available, within budget limitations, to criminal justice agencies and other agencies within the Cabinet for Health and Family Services for clients with alcohol and other drug problems.

Policy

Included in the General Fund is \$3,027,400 in fiscal year 2006-2007 and \$3,077,500 in fiscal year 2007-2008 to support crisis stabilization mental health services through regional mental health/mental retardation boards. Included in this appropriation is \$127,400 in fiscal year 2006-2007 and \$177,500 in fiscal year 2007-2008 for mental inquest warrant patients served by Hardin Memorial Hospital.

Included in the General Fund is \$500,000 in each year of the biennium to establish the Wellsprings David Block Crisis Stabilization Unit in Louisville, Kentucky to provide mental health crisis stabilization services.

The Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses is provided at least \$12,500 in each year of the biennium to support the continued operation of the 14 regional planning councils.

Health and Family Services
Mental Health and Mental Retardation Services
Community Mental Retardation Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	23,373,700	31,393,900	36,979,600	26,083,700	27,843,700
Total General Fund	23,373,700	31,393,900	36,979,600	26,083,700	27,843,700
Restricted Funds					
Balance Forward	19,465				
Current Receipts	22,900	275,800	432,200	4,835,800	8,032,200
Non-Revenue Receipts	2,300,835	2,349,500	2,363,700	2,349,500	2,363,700
Total Restricted Funds	2,343,200	2,625,300	2,795,900	7,185,300	10,395,900
Federal Funds					
Balance Forward	2,470				
Current Receipts	3,532,730	3,829,600	4,005,900	3,829,600	4,005,900
Non-Revenue Receipts		60,200	88,800	60,200	88,800
Total Federal Funds	3,535,200	3,889,800	4,094,700	3,889,800	4,094,700
TOTAL SOURCE OF FUNDS	29,252,100	37,909,000	43,870,200	37,158,800	42,334,300
EXPENDITURES BY CLASS					
Personnel Cost	3,494,400	4,558,000	4,759,700	3,932,500	3,967,600
Operating Expenses	683,500	686,900	686,900	686,900	686,900
Grants, Loans or Benefits	25,074,200	32,664,100	38,423,600	32,539,400	37,679,800
TOTAL EXPENDITURES	29,252,100	37,909,000	43,870,200	37,158,800	42,334,300
EXPENDITURES BY FUND SOURCE					
General Fund	23,373,700	31,393,900	36,979,600	26,083,700	27,843,700
Restricted Funds	2,343,200	2,625,300	2,795,900	7,185,300	10,395,900
Federal Funds	3,535,200	3,889,800	4,094,700	3,889,800	4,094,700
TOTAL EXPENDITURES	29,252,100	37,909,000	43,870,200	37,158,800	42,334,300
EXPENDITURES BY UNIT					
Local Mental Retardation Services	27,789,400	36,392,900	42,328,800	35,654,500	40,810,300
Ky Developmental Disability Council	1,462,700	1,516,100	1,541,400	1,504,300	1,524,000
TOTAL EXPENDITURES	29,252,100	37,909,000	43,870,200	37,158,800	42,334,300

Community Mental Retardation Services provides support and services to individuals with mental retardation and other developmental disabilities to help them live well within the greater community. Services are provided through contracts with the 14 Community Mental Health/Mental Retardation Boards, and with for-profit and non-profit agencies which provide residential services, vocational training, and social support. Some of the residential services include support to family homes, group home placement, apartment living supervision, residence staffing, and help with other living arrangements. Individuals with disabilities have additional opportunities for self-determination through Supported Living grants, which help them to live as independently as possible in their homes and participate in the community to the fullest extent possible.

The Kentucky Council on Developmental Disabilities is administratively attached to Community Mental Retardation Services. The Council is made up of 26 members and includes consumers, parents, and local agency representatives appointed by the Governor (PL 106-402 and KRS 194.135). The Council promotes systems change, capacity building and advocacy for people with developmental disabilities. The Council on Developmental Disabilities represents the interests of approximately 122,000 Kentuckians who have developmental disabilities. The Council funds time-limited demonstration projects

and engages in outreach activities to assist individuals with developmental disabilities and their families.

Policy

Included in the General Fund is \$1,140,000 and Restricted Funds of \$4,560,000 in fiscal year 2006-2007 and General Fund of \$1,900,000 and Restricted Funds of \$7,600,000 in fiscal year 2007-2008 for crisis stabilization support services to individuals with mental retardation. These support services are critical to the successful community placement of individuals moving from a residential setting into the community.

Included in the General Fund is \$1,000,000 in fiscal year 2006-2007 and \$2,000,000 in fiscal year 2007-2008 is provided to enhance the Supported Living program.

Included in the General Fund is \$200,000 in each year of the biennium to establish an Aging Caregivers One-Stop Shop to provide aging caregivers with information, consultation, and assistance with choices and planning for long-term supports for individuals with mental retardation and developmental disabilities.

Health and Family Services
Mental Health and Mental Retardation Services
General Mental Health/Mental Retardation Support

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,870,900	31,440,900	32,457,600	29,870,900	29,870,900
Total General Fund	29,870,900	31,440,900	32,457,600	29,870,900	29,870,900
Restricted Funds					
Balance Forward	448				
Current Receipts	-448				
Total Restricted Funds					
Federal Funds					
Current Receipts	142,200	142,200	142,200	142,200	142,200
Total Federal Funds	142,200	142,200	142,200	142,200	142,200
TOTAL SOURCE OF FUNDS	30,013,100	31,583,100	32,599,800	30,013,100	30,013,100
EXPENDITURES BY CLASS					
Personnel Cost	2,626,000	3,323,000	3,513,400	2,664,700	2,665,000
Operating Expenses	638,400	752,100	756,400	638,400	638,100
Grants, Loans or Benefits	26,748,700	27,508,000	28,330,000	26,710,000	26,710,000
TOTAL EXPENDITURES	30,013,100	31,583,100	32,599,800	30,013,100	30,013,100
EXPENDITURES BY FUND SOURCE					
General Fund	29,870,900	31,440,900	32,457,600	29,870,900	29,870,900
Federal Funds	142,200	142,200	142,200	142,200	142,200
TOTAL EXPENDITURES	30,013,100	31,583,100	32,599,800	30,013,100	30,013,100

General Mental Health/Mental Retardation Support includes the Commissioner's Office, the Division of Administration and Financial Management, and Community Care Grants. This unit's activities include policy and budget development, program monitoring, standards development, and management decision-making for the overall direction of the Department. The Department contracts with the University of Kentucky for technical and information support services.

The Community Care Grants provide the funding for the "safety net" for individuals needing mental health, mental retardation, and substance abuse services, and the infrastructure that supports and provides these services. Kentucky Revised Statute 210.420 sets the distribution formula for these funds to local community mental health centers. Local boards determine which program areas and which services will be funded based on local needs.

Health and Family Services
Mental Health and Mental Retardation Services
Residential Mental Health/Mental Retardation

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	69,476,500	104,811,700	117,357,000	82,630,600	89,182,900
Salary Compensation Fund	2,605,400				
Total General Fund	72,081,900	104,811,700	117,357,000	82,630,600	89,182,900
Restricted Funds					
Current Receipts	168,659,100	170,352,000	171,987,500	168,659,100	168,659,100
Total Restricted Funds	168,659,100	170,352,000	171,987,500	168,659,100	168,659,100
Federal Funds					
Balance Forward	5,800				
Current Receipts	1,406,700	1,250,000	969,000	1,250,000	969,000
Total Federal Funds	1,412,500	1,250,000	969,000	1,250,000	969,000
TOTAL SOURCE OF FUNDS	242,153,500	276,413,700	290,313,500	252,539,700	258,811,000
EXPENDITURES BY CLASS					
Personnel Cost	142,609,400	167,458,200	178,495,200	147,043,700	151,038,100
Operating Expenses	24,945,100	27,860,900	30,279,100	24,992,200	27,334,600
Grants, Loans or Benefits	74,403,700	80,899,300	81,343,900	80,308,500	80,142,000
Debt Service					101,000
Capital Outlay	195,300	195,300	195,300	195,300	195,300
TOTAL EXPENDITURES	242,153,500	276,413,700	290,313,500	252,539,700	258,811,000
EXPENDITURES BY FUND SOURCE					
General Fund	72,081,900	104,811,700	117,357,000	82,630,600	89,182,900
Restricted Funds	168,659,100	170,352,000	171,987,500	168,659,100	168,659,100
Federal Funds	1,412,500	1,250,000	969,000	1,250,000	969,000
TOTAL EXPENDITURES	242,153,500	276,413,700	290,313,500	252,539,700	258,811,000
EXPENDITURES BY UNIT					
Acute Care	109,316,400	126,562,000	133,433,600	118,852,500	125,021,300
Alternate Care	13,347,200	15,600,200	16,405,700	13,464,100	13,464,100
Mental Retardation	107,364,800	119,897,600	125,420,700	107,962,100	108,064,600
Alcohol	606,400	697,700	738,200	612,000	612,000
Forensic	11,518,700	13,656,200	14,315,300	11,649,000	11,649,000
TOTAL EXPENDITURES	242,153,500	276,413,700	290,313,500	252,539,700	258,811,000

Residential Mental Health/Mental Retardation Services provides residential services in the areas of psychiatric hospitalization, intermediate care for persons with mental retardation, nursing facility care, forensic psychiatry, and substance abuse. The Department provides care in this program to approximately 1,300 individuals each day.

Inpatient psychiatric services are provided for adults through three psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 174; Central State Hospital in Louisville with an ADC of 114; and Western State Hospital in Hopkinsville with an ADC of 137. The Hazard Psychiatric Facility, with an ADC of 82, provides acute inpatient psychiatric services through a contract with Appalachian Regional Healthcare, Inc. Eastern State Hospital is operated under a management contract with Bluegrass Regional Mental Health/Mental Retardation Board, Inc.

Glasgow Nursing Facility with an ADC of 84 and Western State Nursing Facility with an ADC of 128 provide nursing facility services for adults with mental illness who are admitted from state psychiatric hospitals.

Seven facilities provide intermediate care for individuals with mental retardation who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 285; Outwood in Dawson Springs with an ADC of 69; Hazelwood in Louisville with an ADC of 150; Central State Intermediate Care Facility for the Mentally Retarded on the campus of Central State Hospital with an ADC of 41; Del Maria in Fern Creek with an ADC of 8; the Meadows in Mount Washington with an ADC of 8; and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

Numerous initiatives are underway to improve the overall quality of service provided to the residents at the Oakwood Community Center. The cabinet has contracted with a healthcare vendor to operate the Oakwood Community Center. The vendor will make improvements in the care rendered at the facility and ensure the safety and welfare of clients at Oakwood as the Department continues to downsize the facility.

Volta House, a facility with an ADC of 26 on the campus of Western State Hospital in Hopkinsville, provides a 28-day inpatient program for individuals suffering from chronic or acute alcoholism.

Forensic psychiatric services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange (85 beds). Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component serves post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

Policy

Included in the General Fund is \$101,000 in fiscal year 2007-2008 for debt service for chiller and HVAC replacement at the Oakwood Community Center, an intermediate care facility for the mentally retarded located in Somerset.

Health and Family Services
Public Health

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	66,512,900	77,446,300	80,075,200	70,899,700	73,823,000
Salary Compensation Fund	414,200				
Base Deduction	-382,300				
Reorganization Adjustments	-597,900				
Total General Fund	65,946,900	77,446,300	80,075,200	70,899,700	73,823,000
Tobacco Settlement-Phase I					
Tobacco Settlement - I	17,373,000	17,373,000	17,373,000	14,000,900	14,721,100
Continuing Appropriation	2,651,900				
Total Tobacco Settlement-Phase I	20,024,900	17,373,000	17,373,000	14,000,900	14,721,100
Restricted Funds					
Balance Forward	5,649,175	5,126,200	4,619,700	703,900	338,900
Current Receipts	70,578,025	70,864,300	70,935,800	70,870,500	70,953,100
Non-Revenue Receipts	790,000	790,000	790,000	790,000	790,000
Fund Transfers	-5,015,800			-542,800	-483,000
Total Restricted Funds	72,001,400	76,780,500	76,345,500	71,821,600	71,599,000
Federal Funds					
Balance Forward	505,609				
Current Receipts	167,976,091	169,426,000	169,878,400	169,426,000	169,878,400
Total Federal Funds	168,481,700	169,426,000	169,878,400	169,426,000	169,878,400
TOTAL SOURCE OF FUNDS	326,454,900	341,025,800	343,672,100	326,148,200	330,021,500
EXPENDITURES BY CLASS					
Personnel Cost	41,472,100	45,609,900	47,113,400	41,195,300	41,304,400
Operating Expenses	18,334,000	19,094,800	19,078,000	18,199,700	18,217,300
Grants, Loans or Benefits	265,944,900	271,701,400	273,609,600	266,414,300	270,033,800
Debt Service					466,000
TOTAL EXPENDITURES	325,751,000	336,406,100	339,801,000	325,809,300	330,021,500
EXPENDITURES BY FUND SOURCE					
General Fund	65,946,900	77,446,300	80,075,200	70,899,700	73,823,000
Tobacco Settlement-Phase I	20,024,900	17,373,000	17,373,000	14,000,900	14,721,100
Restricted Funds	71,297,500	72,160,800	72,474,400	71,482,700	71,599,000
Federal Funds	168,481,700	169,426,000	169,878,400	169,426,000	169,878,400
TOTAL EXPENDITURES	325,751,000	336,406,100	339,801,000	325,809,300	330,021,500
EXPENDITURES BY UNIT					
General Health Support	47,806,500	58,144,100	60,313,000	51,771,400	54,047,000
Epidemiology and Health Planning	50,961,500	52,231,500	52,706,100	51,392,300	51,632,400
Adult and Child Health	210,013,200	208,131,100	208,459,900	205,586,800	207,263,300
Laboratory Services	6,686,300	6,980,400	7,119,500	6,684,400	6,680,500
Public Health Protection and Safety	10,283,500	10,919,000	11,202,500	10,374,400	10,398,300
TOTAL EXPENDITURES	325,751,000	336,406,100	339,801,000	325,809,300	330,021,500

The Department for Public Health (DPH) as authorized by KRS 211.025 and 211.180 supervises and assists all local boards of health and departments in an effort to protect and improve the health of the citizens of the Commonwealth.

The Department is responsible for programs that affect the quality of life of every citizen in the state every day. What distinguishes public health from personal preventive health services (provided by private physicians, hospitals, clinics, and other private organizations) is the systematic action on behalf of the community or society. Public health organizations are accountable to the populations they serve, and public health officials are primarily responsible for the health of the population living in their jurisdiction (county, group of counties, state). Private health providers are primarily responsible for the health of only the patients who come to them for services.

In fiscal year 2005, the public health departments of Kentucky reported the following accomplishments:

- Provided adult health preventive visits to 200,000 people
- Provided cancer related clinical visits (primarily breast and cervical cancer) to 23,113 people
- Provided 16,739 diabetes health promotion education activities to high-risk populations
- Provided family planning services to 110,239 people
- Provided maternity services to 52,119 women
- Provided 374,771 medical home health units/visits to 8,318 patients
- Provided 314,222 units/visits of Medicaid Home and Community Based Services to 2,818 people
- Provided children's preventive services to 455,000
- Enrolled 126,950 WIC participants (Women, Infants and Children program)
- Referred 530 infants with positive or inconclusive results from newborn screening for PKU, galactosemia, congenital hypothyroidism and sickle cell disorders to university diagnostic centers
- Performed genetic testing, counseling and education for 1,420 families
- Provided 814,240 doses of vaccine to Kentuckians. Data recently released by the Centers for Disease Control and Prevention show that 84 percent of Kentucky's two-year-olds have received the required immunizations
- Immunized 449,676 persons
- Immunized 93 percent of kindergarten entrants adequately (51,668 children)
- 1 Inspected 44,607 food establishments, 1,391 X-ray and other radiation-producing machines, 8,048 dairies, and performed 109,000 sanitation inspections
- 2 Performed 838,525 laboratory tests
- 3 Provided 512,737 copies of vital statistics records to the public
- 4 Served 41,938 walk-in customers for vital statistics requests for information/certificates

The Cabinet for Health and Family Services and the Department for Public Health have relied on local health departments to carry out two important functions for the state: core public health activities required by statute or regulation, and preventive services to specific populations mandated by budget appropriations. The seven core functions are: enforcement of public health regulations; surveillance of public health; communicable disease control; public health education; public health policy development; reduction of risk to families and children; and disaster preparedness. Preventive services for specific populations include family planning, prenatal care, pediatric preventive check-ups, Women, Infants, and Children supplemental nutrition services (WIC), adult preventive services, and chronic disease monitoring and support services.

Local health departments may provide additional services depending on the availability of alternative revenue sources. Examples of these services include home health services, physician based ambulatory primary care services, and expanded school health services.

**Health and Family Services
Public Health
General Health Support**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,152,500	27,369,100	29,513,600	20,996,400	23,247,600
Salary Compensation Fund	120,400				
Base Deduction	-190,700				
Total General Fund	17,082,200	27,369,100	29,513,600	20,996,400	23,247,600
Restricted Funds					
Balance Forward	1,442,598	1,570,300	1,754,700		
Current Receipts	27,802,002	27,909,400	27,933,800	27,909,400	27,933,800
Non-Revenue Receipts	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000
Fund Transfers	-1,570,300			-184,400	-184,400
Total Restricted Funds	29,114,300	30,919,700	31,128,500	29,165,000	29,189,400
Federal Funds					
Balance Forward	131				
Current Receipts	1,609,869	1,610,000	1,610,000	1,610,000	1,610,000
Total Federal Funds	1,610,000	1,610,000	1,610,000	1,610,000	1,610,000
TOTAL SOURCE OF FUNDS	47,806,500	59,898,800	62,252,100	51,771,400	54,047,000
EXPENDITURES BY CLASS					
Personnel Cost	6,100,200	7,167,500	7,445,000	6,156,800	6,128,100
Operating Expenses	599,100	1,254,700	1,237,900	568,800	568,800
Grants, Loans or Benefits	41,107,200	49,721,900	51,630,100	45,045,800	46,884,100
Debt Service					466,000
TOTAL EXPENDITURES	47,806,500	58,144,100	60,313,000	51,771,400	54,047,000
EXPENDITURES BY FUND SOURCE					
General Fund	17,082,200	27,369,100	29,513,600	20,996,400	23,247,600
Restricted Funds	29,114,300	29,165,000	29,189,400	29,165,000	29,189,400
Federal Funds	1,610,000	1,610,000	1,610,000	1,610,000	1,610,000
TOTAL EXPENDITURES	47,806,500	58,144,100	60,313,000	51,771,400	54,047,000

General Health Support provides funding to two organizational units within the Department for Public Health: the Office of the Commissioner and the Division of Administration and Financial Management.

The Commissioner's Office is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health. The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health. This includes actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the State Health Officer for the Commonwealth. The Commissioner's role continues to expand in the statewide management of anti-bioterrorism initiatives and the coordination of emergency response capabilities with federal and other state agencies.

The Chief Nurse for Public Health, located in the Commissioner's Office, provides professional consultation, support, and technical assistance to the commissioner, executive staff, and state and local health departments including approximately 1,000 nurses practicing in local health departments. The Chief Nurse helps administer the nurse-managed employee health centers in Frankfort that provide direct care, blood pressure monitoring, flu shots, health education, and HIV/AIDS and CPR classes for state employees. The nurses' stations also arrange for first aid coverage for large scale state events.

The Division of Administration and Financial Management provides all resource support to the Department for Public Health. This includes the 381 Cabinet-level personnel and nearly 4,000 personnel represented by local health departments. The Division provides all budget and accounting support, payments, grant allocation, fee collection, procurement and contracting support. The Division develops the Department's biennial budget and oversees local health departments' fiscal planning and administrative management functions. It provides fiscal support to all 120 counties of the Commonwealth. The Division works in concert with the other divisions in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments. The Division has orchestrated a statewide Public Health initiative to ensure Health Department compliance with the federal Health Insurance Portability and Accountability Act (HIPAA). As lead agency, the Division is responsible for planning and implementation of policy, procedural and technical changes to Department for Public Health and local health department operations as they relate to the privacy and confidentiality of patient identifiable information.

The Division is also responsible for overseeing the day-to-day operation of the 56 local health departments across the state. This responsibility includes training and staff development, personnel management, public health nursing, medical records and forms management, reporting of clinical and community-based services, operating the online local health network that tracks approximately 7.4 million services to 848,000 patients, policy interpretation, and the Local Board of Health nomination process. The Division is the primary liaison between the Department for Public Health and local health departments. In addition, the division is responsible for the coordination of training and education activities as prescribed by the federal Bioterrorism preparedness grant.

Policy

The enacted budget includes a General Fund appropriation of \$1,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 to support the Governor's Council on Wellness and Physical Activity Initiative. This initiative will focus on encouraging Kentuckians to be more pro-active in assuming responsibility for their overall health. These funds will provide for development of a program permitting all Kentuckians to engage in health and fitness activities based on their current fitness levels and fitness goals. Using existing models and structure, the program will link to the President's Fitness Challenge, a program that has been in place on the national level for a number of years.

Included in the General Fund is \$6,174,000 in each year of the biennium to assist the Local and District Health Departments with the required increase in the employer contribution for health insurance.

Included in the General Fund is debt service of \$466,000 in fiscal year 2007-2008 to support \$10,000,000 in bonds for a Local and District Health Department Infrastructure Pool to help address a portion of the renovation and construction needs of the local health agencies. The Department for Public Health will administer the pool.

Included in the General Fund is \$1,500,000 in each year of the biennium to support the Area Health Education Centers through a contract with the Universities of Louisville and Kentucky. These funds shall not be considered a part of the universities' base funding.

Language is included in the budget bill to prevent the Department for Public Health from limiting the number or amount of Medicaid reimbursable services provided by Local or District Health Departments.

Included in General Fund is \$500,000 in fiscal year 2006-2007 to provide assistance to the Central Kentucky Blood Center for construction and equipment.

Health and Family Services
Public Health
Epidemiology and Health Planning

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,200,200	7,881,200	7,980,100	7,676,900	7,633,100
Salary Compensation Fund	70,200				
Base Deduction	-140,000				
Reorganization Adjustments	-597,900				
Total General Fund	7,532,500	7,881,200	7,980,100	7,676,900	7,633,100
Tobacco Settlement-Phase I					
Tobacco Settlement - I	2,000,000	2,000,000	2,000,000	1,750,000	1,750,000
Total Tobacco Settlement-Phase I	2,000,000	2,000,000	2,000,000	1,750,000	1,750,000
Restricted Funds					
Balance Forward	647,774	395,100	266,300		
Current Receipts	2,434,826	2,461,600	2,461,600	2,461,600	2,461,600
Fund Transfers	-916,600			-256,100	-210,400
Total Restricted Funds	2,166,000	2,856,700	2,727,900	2,205,500	2,251,200
Federal Funds					
Balance Forward	414,013				
Current Receipts	38,848,987	39,759,900	39,998,100	39,759,900	39,998,100
Total Federal Funds	39,263,000	39,759,900	39,998,100	39,759,900	39,998,100
TOTAL SOURCE OF FUNDS	50,961,500	52,497,800	52,706,100	51,392,300	51,632,400
EXPENDITURES BY CLASS					
Personnel Cost	19,266,600	20,502,000	20,976,600	18,770,700	18,859,300
Operating Expenses	11,477,500	11,597,500	11,597,500	11,393,500	11,411,100
Grants, Loans or Benefits	20,217,400	20,132,000	20,132,000	21,228,100	21,362,000
TOTAL EXPENDITURES	50,961,500	52,231,500	52,706,100	51,392,300	51,632,400
EXPENDITURES BY FUND SOURCE					
General Fund	7,532,500	7,881,200	7,980,100	7,676,900	7,633,100
Tobacco Settlement-Phase I	2,000,000	2,000,000	2,000,000	1,750,000	1,750,000
Restricted Funds	2,166,000	2,590,400	2,727,900	2,205,500	2,251,200
Federal Funds	39,263,000	39,759,900	39,998,100	39,759,900	39,998,100
TOTAL EXPENDITURES	50,961,500	52,231,500	52,706,100	51,392,300	51,632,400
EXPENDITURES BY UNIT					
Communicable Diseases	13,278,100	13,673,900	13,804,300	13,257,600	13,278,500
AIDS/HIV	11,149,300	11,248,200	11,297,000	11,243,100	11,275,100
Public Health Preparedness	22,352,400	22,579,200	22,686,400	22,579,200	22,686,400
Surveillance and Health Data	1,765,200	1,889,300	1,940,000	1,856,400	1,890,700
Vital	2,416,500	2,840,900	2,978,400	2,456,000	2,501,700
TOTAL EXPENDITURES	50,961,500	52,231,500	52,706,100	51,392,300	51,632,400

The mission of the Epidemiology and Health Planning program is to assess the occurrence of, and risk factors for, preventable and reportable diseases and injuries in the Commonwealth; to develop health policies related to the Division's and Department's objectives; to prepare for public health threats; to collect, safeguard and report vital event records; and to assure the provision of some core public health services. To discharge these responsibilities, the Division conducts activities

in five areas:

- 1 Communicable Disease, which includes immunizations, sexually transmitted diseases, tuberculosis (TB), and other communicable diseases;
- 2 HIV/AIDS, which includes prevention activities, services, and surveillance for HIV/AIDS;
- 3 Surveillance and Health Data, which includes reportable disease surveillance, emerging infections, health status and health risk factor studies, injury epidemiology, and the collection and analysis of data relating to community health systems planning and development;
- 4 Vital Statistics, which collects and preserves mandatory records of all vital events including births, deaths, marriages, and divorces; and
- 5 Public Health Preparedness, which includes the development, implementation, and exercising of statewide preparedness plans for biological threats, such as bioterrorism and naturally occurring disease outbreaks.

Epidemiology and Health Planning makes financial support and vaccines available to local health departments and other providers for the provision of more than one million immunizations each year (more, in years when outbreaks occur) to more than 400,000 persons. Immunization rates in schools, day care, health department clinics, and among the general child population are tracked. The tuberculosis control program reduces the number of cases and deaths due to tuberculosis by preventing non-infected individuals from becoming infected, keeping those infected without disease from progressing to disease, and by rendering infected individuals with disease non-infectious. Kentucky's TB case rate remains below the national average. Sexually transmitted disease and other communicable disease control assistance and consultation are provided across the Commonwealth as required.

Epidemiology and Health Planning is the designated State Center for Health Statistics. Health Data and Vital Statistics are responsible for the collection, analysis, and dissemination of health data from many sources to policy makers, health planners and consumers with the goal of developing policy that will improve the health of the population and ensure access to (and the benefit of) public health services to all Kentuckians. The maintenance of all vital records (birth, death, marriage and divorce certificates) and the response to all requests for vital statistics data are also carried out by this program.

Epidemiology and Health Planning is partially funded through federal preparedness and response to bioterrorism grants and has the responsibility of developing, coordinating and overseeing the public health response to bioterrorism. These funds are used to prepare the Commonwealth for disease outbreaks and other public health threats, increase the integration of local public health system assets, upgrade the State Laboratory to the capacity required by the Centers for Disease Control and Prevention, and provide hospitals across the state with funding to ensure preparedness for events attributable to bioterrorism.

Policy

Included in the General Fund is \$250,000 in each year of the biennium for the Kentucky AIDS Drug Assistance Program.

Health and Family Services
Public Health
Adult and Child Health

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,441,200	33,813,400	33,954,100	34,424,200	35,192,400
Salary Compensation Fund	82,700				
Base Deduction	-16,400				
Total General Fund	33,507,500	33,813,400	33,954,100	34,424,200	35,192,400
Tobacco Settlement-Phase I					
Tobacco Settlement - I	15,373,000	15,373,000	15,373,000	12,250,900	12,971,100
Continuing Appropriation	2,651,900				
Total Tobacco Settlement-Phase I	18,024,900	15,373,000	15,373,000	12,250,900	12,971,100
Restricted Funds					
Balance Forward	2,880,612	2,531,900	2,215,700	533,900	250,700
Current Receipts	32,021,788	32,083,100	32,130,200	32,083,100	32,130,200
Fund Transfers	-2,070,000				
Total Restricted Funds	32,832,400	34,615,000	34,345,900	32,617,000	32,380,900
Federal Funds					
Balance Forward	171				
Current Receipts	126,182,129	126,545,400	126,718,900	126,545,400	126,718,900
Total Federal Funds	126,182,300	126,545,400	126,718,900	126,545,400	126,718,900
TOTAL SOURCE OF FUNDS	210,547,100	210,346,800	210,391,900	205,837,500	207,263,300
EXPENDITURES BY CLASS					
Personnel Cost	9,104,600	9,939,500	10,268,300	9,145,500	9,164,400
Operating Expenses	972,500	973,900	973,900	972,500	972,500
Grants, Loans or Benefits	199,936,100	197,217,700	197,217,700	195,468,800	197,126,400
TOTAL EXPENDITURES	210,013,200	208,131,100	208,459,900	205,586,800	207,263,300
EXPENDITURES BY FUND SOURCE					
General Fund	33,507,500	33,813,400	33,954,100	34,424,200	35,192,400
Tobacco Settlement-Phase I	18,024,900	15,373,000	15,373,000	12,250,900	12,971,100
Restricted Funds	32,298,500	32,399,300	32,413,900	32,366,300	32,380,900
Federal Funds	126,182,300	126,545,400	126,718,900	126,545,400	126,718,900
TOTAL EXPENDITURES	210,013,200	208,131,100	208,459,900	205,586,800	207,263,300
EXPENDITURES BY UNIT					
Maternal & Child Health	35,093,000	35,234,900	35,342,000	34,540,500	34,536,900
Early Childhood Development	32,339,800	29,998,600	30,026,900	28,421,100	29,025,900
Health Access	2,088,200	2,075,600	2,106,400	2,067,700	2,896,000
Chronic Diseases	9,263,700	9,342,700	9,384,600	9,651,300	9,813,300
First Steps	32,734,200	32,801,600	32,834,900	32,234,200	32,234,200
Nutrition	98,494,300	98,677,700	98,765,100	98,672,000	98,757,000
TOTAL EXPENDITURES	210,013,200	208,131,100	208,459,900	205,586,800	207,263,300

The Adult and Child Health Improvement program promotes and improves the health status of all Kentuckians through early childhood development programs, community based health education and prevention, preventive clinical care, nutrition counseling and food supplementation, and the promotion of an adequate network of primary care providers throughout the

Commonwealth. Although improvements have been made in several areas, the overall health of citizens still ranks near the bottom nationally. In the absence of good preventive care, many health conditions worsen and become more expensive to treat. When preventive health is more widely promoted, wellness and lifestyle changes can become a more prevalent focus. As a result, health care costs can be reduced and quality of life can improve for all Kentuckians.

The Maternal and Child Health subprogram provides oversight to many of the services and activities which focus on mothers and children including family planning, folic acid supplements, prenatal/maternity services, well child care, lead poisoning prevention, injury prevention, teen pregnancy prevention, coordinated school health, and breast and cervical cancer screening. To enable children to reach their full potential, preventive care must be obtained in the formative years, 0-5 years of age, when the brain is programmed to develop.

The Early Childhood Development subprogram provides active leadership in achieving the health goals of the state's early childhood initiatives through Healthy Access Nurturing Development Services (HANDS), Healthy Start in Child Care, Early Childhood Mental Health and First Steps (Kentucky Early Intervention Services), which was transferred from the Commission on Children with Special Health Care Needs in fiscal year 2004. Other services in the subprogram include newborn metabolic screening case management, genetic screening, and the maintenance of the Kentucky birth surveillance registry. Approximately 21 percent of all children provided preventive health services are in need of further evaluation and treatment of a condition or problem that, when detected early, is less costly than if allowed to worsen. It has been estimated that every dollar spent on early intervention for children results in a cost avoidance of seven dollars. The future of Kentucky depends upon the healthy development of its youngest citizens.

The Chronic Disease subprogram focuses on community-based health promotion and education for adults and children as well as planning efforts aimed at finding local solutions to major health problems. Treatment for persons with chronic diseases makes up more than 60 percent of all medical care expenditures. Activities are directed primarily toward diabetes control, arthritis management, asthma management, cardiovascular health, physical activity, worksite wellness, and tobacco control and prevention. Preventive services are also focused on adults without a medical "home."

The Nutrition subprogram administers the federally funded Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program that provide a monthly food prescription (package) as well as nutrition education to low-income pregnant and postpartum women, infants, and children at nutritional risk. Studies have shown that pregnant women who participate in WIC have fewer premature births, fewer low birth weight babies, and seek prenatal care earlier in the pregnancy. Nutritionists in local health departments provide medical nutrition therapy and follow-up nutrition care for children with special health care needs. Additionally, this subprogram provides oversight of a state nutrition and physical activity program to prevent obesity. Lifestyle changes such as regular exercise and a healthy diet can reduce the risk of cardiovascular diseases, diabetes, high blood pressure, and high cholesterol. Breastfeeding promotion is also an important component of this subprogram.

The Health Care Access subprogram focuses on primary care and provides dental services to the citizens of Kentucky. This subprogram administers federal grants and programs that relate to primary care such as the National Health Service Corps, Conrad State 30 J-1 Visa Waiver Program, and Appalachian Regional Commission partnership. Dental services are provided to reduce the number of decayed, missing, and filled teeth in the 18-and-under population as well as to reduce the prevalence of periodontal (gum) diseases and oral and pharyngeal cancers. Through KIDS Now, this subprogram has initiated a program to prevent early childhood caries (formerly called baby bottle tooth decay). Providing these services at \$10 per visit could save between \$5,000 and \$10,000 per child in restorative care and hospitalization if the disease progresses to its terminal state. Additionally, the subprogram houses the 1-800 hotline for the Kentucky Physicians' Care program. This program utilizes many of Kentucky's physicians, dentists, pharmacies, and several pharmaceutical companies to provide free health care and medications to uninsured individuals.

Policy

Included in the General Fund is \$2,300,000 in fiscal year 2006-2007 and \$3,050,000 in fiscal year 2007-2008 for continuation of Diabetes Services through Local and District Health Departments.

Included in the General Fund is \$200,000 in each year of the biennium for the Diabetes Research Board.

Included in the General Fund is \$750,000 in each year of the biennium to establish three regional Diabetes Centers of Excellence. The centers will provide education, intervention therapy and case management services in an effort to provide better outcomes and to reduce Medicaid expenditures.

Included in the General Fund is \$150,000 in fiscal year 2006-2007 for Health Kentucky, Inc.

Included in the General Fund is \$125,000 in fiscal year 2006-2007 and \$200,000 in fiscal year 2007-2008 to establish the Kentucky Prescription Drug Patient Assistance Program.

Included in the General Fund is \$150,000 in each year of the biennium to support the Poison Control Center.

Included in the General Fund is \$50,000 in each year of the biennium to support the Lead Poison and Screening Program.

Included in the General Fund is \$90,000 in each year of the biennium to establish, promote and maintain an Osteoporosis Prevention and Education Program.

**Health and Family Services
Public Health
Laboratory Services**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,051,600	4,364,200	4,471,400	4,107,100	4,061,000
Salary Compensation Fund	82,700				
Total General Fund	4,134,300	4,364,200	4,471,400	4,107,100	4,061,000
Restricted Funds					
Balance Forward	309,600	199,300	115,600	131,800	87,000
Current Receipts	3,091,700	3,182,500	3,182,500	3,182,500	3,182,500
Non-Revenue Receipts	-650,000	-650,000	-650,000	-650,000	-650,000
Fund Transfers	-67,500				
Total Restricted Funds	2,683,800	2,731,800	2,648,100	2,664,300	2,619,500
TOTAL SOURCE OF FUNDS	6,818,100	7,096,000	7,119,500	6,771,400	6,680,500
EXPENDITURES BY CLASS					
Personnel Cost	2,316,600	2,633,300	2,772,400	2,337,300	2,333,400
Operating Expenses	4,361,100	4,338,500	4,338,500	4,338,500	4,338,500
Grants, Loans or Benefits	8,600	8,600	8,600	8,600	8,600
TOTAL EXPENDITURES	6,686,300	6,980,400	7,119,500	6,684,400	6,680,500
EXPENDITURES BY FUND SOURCE					
General Fund	4,134,300	4,364,200	4,471,400	4,107,100	4,061,000
Restricted Funds	2,552,000	2,616,200	2,648,100	2,577,300	2,619,500
TOTAL EXPENDITURES	6,686,300	6,980,400	7,119,500	6,684,400	6,680,500

The Laboratory Services Program provides essential examinations of clinical and environmental specimens required to support other state programs and local health department programs. The laboratory performs reference diagnostic testing not typically performed by private sector laboratories. Examples of testing performed by Laboratory Services are: testing for newborn heritable and genetic disorders, sexually transmitted diseases, TB, West Nile, SARS, rabies, influenza subtyping, bioterrorism, and select agents; environmental samples for water fluoride levels; milk, food, and water for evidence of contamination; pesticide analyses; and occupational safety and health chemistry.

The State Laboratory is a certified high complexity laboratory, which requires it to meet the most stringent federal requirements for quality assurance, quality control, and personnel qualifications. The program is responsible for approximately 320 local health department sites licensed on multiple-site certificates under Clinical Laboratory Improvement Act (CLIA). The program's staff provides technical direction, training sessions, on-site consultations, procedure manuals, forms for documentation, and other necessary tools.

Laboratory Services performs tests for patients in the Department for Mental Health and Mental Retardation Services' facilities, local health departments, hospitals, clinics, doctor's offices, and provides occupational health chemistry analysis for the Kentucky Occupational Safety and Health Program.

General Fund support is the primary source of funding for Laboratory Services. Other funds are received from federal grants, newborn screening fees and a cooperative agreement with OSHA.

Health and Family Services
Public Health
Public Health Protection and Safety

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,667,400	4,018,400	4,156,000	3,695,100	3,688,900
Salary Compensation Fund	58,200				
Base Deduction	-35,200				
Total General Fund	3,690,400	4,018,400	4,156,000	3,695,100	3,688,900
Restricted Funds					
Balance Forward	368,591	429,600	267,400	38,200	1,200
Current Receipts	5,227,709	5,227,700	5,227,700	5,233,900	5,245,000
Fund Transfers	-391,400			-102,300	-88,200
Total Restricted Funds	5,204,900	5,657,300	5,495,100	5,169,800	5,158,000
Federal Funds					
Balance Forward	91,294				
Current Receipts	1,335,106	1,510,700	1,551,400	1,510,700	1,551,400
Total Federal Funds	1,426,400	1,510,700	1,551,400	1,510,700	1,551,400
TOTAL SOURCE OF FUNDS	10,321,700	11,186,400	11,202,500	10,375,600	10,398,300
EXPENDITURES BY CLASS					
Personnel Cost	4,684,100	5,367,600	5,651,100	4,785,000	4,819,200
Operating Expenses	923,800	930,200	930,200	926,400	926,400
Grants, Loans or Benefits	4,675,600	4,621,200	4,621,200	4,663,000	4,652,700
TOTAL EXPENDITURES	10,283,500	10,919,000	11,202,500	10,374,400	10,398,300
EXPENDITURES BY FUND SOURCE					
General Fund	3,690,400	4,018,400	4,156,000	3,695,100	3,688,900
Restricted Funds	5,166,700	5,389,900	5,495,100	5,168,600	5,158,000
Federal Funds	1,426,400	1,510,700	1,551,400	1,510,700	1,551,400
TOTAL EXPENDITURES	10,283,500	10,919,000	11,202,500	10,374,400	10,398,300
EXPENDITURES BY UNIT					
Radiation	2,003,100	2,205,000	2,286,700	2,019,300	2,041,700
Milk	1,386,000	1,542,700	1,610,900	1,426,200	1,445,000
Food	4,218,200	4,279,800	4,327,800	4,157,400	4,110,700
Sanitation	2,250,100	2,409,100	2,467,900	2,298,600	2,305,500
Public Safety	426,100	482,400	509,200	472,900	495,400
TOTAL EXPENDITURES	10,283,500	10,919,000	11,202,500	10,374,400	10,398,300

The Public Health Protection and Safety Program provides a variety of environmental services, from monitoring exposure to radiation to insuring sanitation of food, milk, and public facilities. This division provides consultation and guidance to some 300 local health department environmental-public health specialists/registered sanitarians, and provides regulatory oversight to many of Kentucky's businesses. The division mission statement is: promoting a healthier, safer public through prevention, education, communication and regulation.

The Radiation subprogram inspects and issues over 450 specific licenses to users of radioactive materials and registers and inspects over 200 users of radiation sources. The program monitors the transportation of radioactive waste, within and through the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours per day.

The program registers and inspects 3,750 facilities with 8,429 X-Ray tubes, conducts reviews and inspects approximately 350 mammography facilities and shielding plans for facilities, and issues certificates and inspects approximately 5,800 operators of sources of radiation. The program monitors Paducah Gaseous Diffusion Plant and monitors nuclear waste disposal sites (such as Maxey Flats) along with the Environmental and Public Protection Cabinet.

The Milk Safety subprogram inspects dairy farms, dairy plants, transfer and hauler facilities and milk processors, conducting 8,000 inspections of 1,900 dairies annually. The program provides safety education to milk haulers, pasteurization equipment operators and other industry professionals. The program investigates complaints, responds to federal Food & Drug Administration notices regarding dairy recalls or events, and serves as a first responder for dairy industry events.

The Food Safety subprogram is responsible for overseeing Kentucky's multi-billion dollar food industry. The program trains local health department employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, bed and breakfast establishments. The program oversees food manufacturing and storage programs and the farmer's market program compliance. The program collects representative samples from the state's raw agricultural producers and fish markets to test for pesticide residues and other contaminants. The food safety program also oversees quarantines and the destruction of food, drugs and alcohol which have been contaminated by disasters such as floods.

The Sanitation subprogram establishes sanitary and safety standards for the construction and operation of public facilities including regulatory oversight for the sanitary operation of public pools, public restrooms, hotels/motels, state confinement facilities, schools, mobile home parks, day camps and many other public facilities for 7,200 permitted facilities and 5,700 onsite installers. The program oversees construction of onsite sewage disposal systems for new homes not on city sewers and trains and certifies inspectors and operators. The program manages the state consumer product safety program and radon mitigation program. The program responds to public health complaints related to dog bites, septic systems, pool malfunctions, recreational lake health issues and other environmental health issues. The program has approximately 115,000 reported activities annually and responds to over 20,000 nuisance control/complaints annually.

The Public Safety program conducts lead abatement activities, especially in areas occupied by children. The program investigates unsafe products and provides education on safety issues. The program also provides engineering oversight for all public pools in the commonwealth, approving plans for all new construction, change and/or renovation. The program also provides the functional quality assurance process for monitoring trends and performance in environmental health programs.

**Health and Family Services
Health Policy**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	117,700	797,000	830,800	636,000	625,600
Salary Compensation Fund	8,600				
Base Deduction	-91,500				
Reorganization Adjustments	597,900				
Total General Fund	632,700	797,000	830,800	636,000	625,600
Restricted Funds					
Balance Forward	520,100	225,000	225,000		
Current Receipts	250,500	605,700	622,400	605,700	622,400
Non-Revenue Receipts	160,600	100,300	83,600		
Fund Transfers	-351,700				
Total Restricted Funds	579,500	931,000	931,000	605,700	622,400
TOTAL SOURCE OF FUNDS	1,212,200	1,728,000	1,761,800	1,241,700	1,248,000
EXPENDITURES BY CLASS					
Personnel Cost	1,172,200	1,378,000	1,411,800	1,196,700	1,203,000
Operating Expenses	40,000	125,000	125,000	45,000	45,000
TOTAL EXPENDITURES	1,212,200	1,503,000	1,536,800	1,241,700	1,248,000
EXPENDITURES BY FUND SOURCE					
General Fund	632,700	797,000	830,800	636,000	625,600
Restricted Funds	579,500	706,000	706,000	605,700	622,400
TOTAL EXPENDITURES	1,212,200	1,503,000	1,536,800	1,241,700	1,248,000

The Office of Health Policy is a new organization created by Governor Fletcher through Executive Order 2005-779, effective August 1, 2005, combining the Office of Certificate of Need and the Health Planning Branch from the Department for Public Health.

The creation of the Office of Health Planning evolved from the realization that health policy planning and research development has been a fragmented process taking place within various organizational units throughout the cabinet as well as through other cabinets across state government. Accordingly, the consolidation into a single Office has led to greater efficiencies throughout state government.

Health care has global perspectives, and issues that transcend cabinets, therefore centralized integration and understanding of these perspectives and issues are important to not only promote efficiencies but to develop a focused approach to make meaningful change and progress. Centralized policy development will enable the Commonwealth to meet its strategic long-term health care goals.

There are two divisions within the Office of Health Planning: the Division of Health Policy Planning and Development and the Division of Certificate of Need.

The Division of Health Policy Planning and Development provides coordination among state agencies and programs including:

- Medicaid
- Insurance
- Mental Health/Mental Retardation
- State Employee Health Insurance
- Public Health

The Division of Health Policy Planning and Development coordinates health policy and health insurance issues that cross departmental or cabinet lines, oversees legislative and regulatory efforts to ensure that proposed statutes and regulations are consistent across departments and consistent with the overall goals of the administration, develops health insurance policy in coordination with the Kentucky Office of Insurance, and leads the efforts related to policy coordination and benefit design for state employee health insurance in coordination with the Personnel Cabinet.

The Division of Certificate of Need (CON) is responsible for preventing the proliferation of health care facilities, health services and major medical equipment that increase the cost of health care within the Commonwealth. The increased cost of health care impacts all Kentuckians, particularly those with limited incomes, or those who are uninsured or underinsured. Controlling increasing health care costs makes quality health care accessible and affordable for more people.

A certificate of need is required to establish a health facility; to change bed capacity of health facility; to make a substantial change in a project (a change which results in an increase in bed capacity, a change in location, or an increase in costs greater than the allowable amount as prescribed by regulation, etc.); to add a health service for which there are review criteria in the state health plan (open heart surgery, cardiac catheterization, MRI, mega-voltage radiation equipment, organ transplantation, special care neonatal beds, etc.), and to add a service subject to licensure (personal care beds, rehabilitation agencies, etc.); to obligate a capital expenditure which exceeds \$1,870,973; to acquire major medical equipment which exceeds \$2,177,866; or to change the geographic area which has been designated on a certificate of need or license.

Policy

The enacted budget includes a fee increase on certificate of need applications that will generate additional Restricted Funds of \$355,200 in fiscal year 2006-2007 and \$371,900 in fiscal year 2007-2008 to support program operations. KRS 216B.040 (3)(c) authorizes the cabinet to establish reasonable fees for certificates of need through the promulgation of administrative regulation.

**Health and Family Services
Human Support Services**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	30,469,900	40,227,900	41,337,500	41,528,400	45,648,400
Salary Compensation Fund	50,400				
Base Deduction	-64,400				
Total General Fund	30,455,900	40,227,900	41,337,500	41,528,400	45,648,400
Tobacco Settlement-Phase I					
Tobacco Settlement - I		180,000	180,000	100,000	100,000
Total Tobacco Settlement-Phase I		180,000	180,000	100,000	100,000
Restricted Funds					
Balance Forward	145,800	156,500	156,500		
Current Receipts	150,600	70,600	70,600	70,600	70,600
Non-Revenue Receipts	686,000	126,000	126,000	586,000	586,000
Fund Transfers	-156,500				
Total Restricted Funds	825,900	353,100	353,100	656,600	656,600
Federal Funds					
Balance Forward	255,000				
Current Receipts	24,193,900	26,528,000	26,954,300	24,396,700	24,401,900
Total Federal Funds	24,448,900	26,528,000	26,954,300	24,396,700	24,401,900
TOTAL SOURCE OF FUNDS	55,730,700	67,289,000	68,824,900	66,681,700	70,806,900
EXPENDITURES BY CLASS					
Personnel Cost	2,508,700	3,309,800	3,486,300	2,501,800	2,542,200
Operating Expenses	580,300	645,000	640,500	420,800	420,800
Grants, Loans or Benefits	52,641,700	63,177,700	64,541,600	63,759,100	67,843,900
TOTAL EXPENDITURES	55,730,700	67,132,500	68,668,400	66,681,700	70,806,900
EXPENDITURES BY FUND SOURCE					
General Fund	30,455,900	40,227,900	41,337,500	41,528,400	45,648,400
Tobacco Settlement-Phase I		180,000	180,000	100,000	100,000
Restricted Funds	825,900	196,600	196,600	656,600	656,600
Federal Funds	24,448,900	26,528,000	26,954,300	24,396,700	24,401,900
TOTAL EXPENDITURES	55,730,700	67,132,500	68,668,400	66,681,700	70,806,900
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	291,200	227,600	227,600	2,794,600	5,629,400
Child Abuse & Domestic Violence	3,822,800	7,082,600	7,104,300	7,656,500	7,659,700
Ky Commission on Community Volunteerism and Services	2,853,500	3,023,000	3,048,500	2,820,600	2,826,200
Aging Services	48,557,700	56,520,600	57,996,800	53,222,400	54,501,100
Women's Physical & Mental Health	205,500	278,700	291,200	187,600	190,500
TOTAL EXPENDITURES	55,730,700	67,132,500	68,668,400	66,681,700	70,806,900

The Department for Human Support Services is made up of five separate divisions: Women's Physical and Mental Health, Aging Services, Family Resource and Youth Service Centers, Child Abuse and Domestic Violence Services and the Kentucky Commission on Community Volunteerism and Services.

**Health and Family Services
Human Support Services
Family Resource and Youth Services Center**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		16,400	16,400	2,583,400	5,418,200
Salary Compensation Fund	16,400				
Base Deduction	-16,400				
Total General Fund		16,400	16,400	2,583,400	5,418,200
Restricted Funds					
Current Receipts	80,000				
Total Restricted Funds	80,000				
Federal Funds					
Balance Forward	1,300				
Current Receipts	209,900	211,200	211,200	211,200	211,200
Total Federal Funds	211,200	211,200	211,200	211,200	211,200
TOTAL SOURCE OF FUNDS	291,200	227,600	227,600	2,794,600	5,629,400
EXPENDITURES BY CLASS					
Personnel Cost		16,400	16,400		
Grants, Loans or Benefits	291,200	211,200	211,200	2,794,600	5,629,400
TOTAL EXPENDITURES	291,200	227,600	227,600	2,794,600	5,629,400
EXPENDITURES BY FUND SOURCE					
General Fund		16,400	16,400	2,583,400	5,418,200
Restricted Funds	80,000				
Federal Funds	211,200	211,200	211,200	211,200	211,200
TOTAL EXPENDITURES	291,200	227,600	227,600	2,794,600	5,629,400

The Kentucky Education Reform Act (KERA) of 1990, KRS 156.497 and KRS 156.4977 as amended, created the Family Resource and Youth Services Centers (FRYSC). The Division of Family Resource and Youth Services Centers, created by Executive Order 2004-726, provides administrative, technical assistance, and training support to the local school-based FRYSC. The primary goal of these centers is to enhance student ability to succeed in school by developing and sustaining partnerships that promote early learning and successful transition into school, academic achievement and well-being, and graduation and transition into adult life.

Each center has a unique blend of program components depending on location, available services, local need and community input designed to promote the flow of resources and support to families in ways that strengthen their functioning and further the growth and development of each member. Services may include after school child care, literacy programs, home visits to new/expectant parents, support and training for child day care providers, referrals to social services, employment counseling, summer and part-time job development, drug/alcohol counseling, and family crisis and mental health counseling. Centers also offer programs such as peer mediation, conflict resolution, pregnancy prevention and job shadowing.

Policy

Restricted Fund money in the amount of \$80,000 is provided in fiscal year 2006 to support a collaborative pilot project with YUM! Brands, Inc. to encourage school-based physical activity programs and combat childhood obesity.

The Budget of the Commonwealth includes General Fund in the amount of \$1,522,600 in fiscal year 2007 and \$3,045,200 in

fiscal year 2008 to increase the rates to \$204 per eligible in fiscal year 2007 and \$210 per eligible in fiscal year 2008.

General Fund in the amount of \$1,060,800 in fiscal year 2007 and \$2,373,000 in fiscal year 2008 is included in the Budget of the Commonwealth to expand Family Resource and Youth Services Centers. This funding will establish centers in 25 eligible schools in fiscal year 2007 and 29 additional schools in fiscal year 2008.

**Health and Family Services
Human Support Services
Child Abuse & Domestic Violence**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,135,800	6,212,600	6,234,300	6,866,500	6,869,700
Salary Compensation Fund	7,200				
Base Deduction	-10,200				
Total General Fund	3,132,800	6,212,600	6,234,300	6,866,500	6,869,700
Tobacco Settlement-Phase I					
Tobacco Settlement - I		180,000	180,000	100,000	100,000
Total Tobacco Settlement-Phase I		180,000	180,000	100,000	100,000
Federal Funds					
Balance Forward	100				
Current Receipts	689,900	690,000	690,000	690,000	690,000
Total Federal Funds	690,000	690,000	690,000	690,000	690,000
TOTAL SOURCE OF FUNDS	3,822,800	7,082,600	7,104,300	7,656,500	7,659,700
EXPENDITURES BY CLASS					
Personnel Cost	203,900	392,000	413,700	179,800	183,000
Operating Expenses	83,600	91,100	91,100	19,700	19,700
Grants, Loans or Benefits	3,535,300	6,599,500	6,599,500	7,457,000	7,457,000
TOTAL EXPENDITURES	3,822,800	7,082,600	7,104,300	7,656,500	7,659,700
EXPENDITURES BY FUND SOURCE					
General Fund	3,132,800	6,212,600	6,234,300	6,866,500	6,869,700
Tobacco Settlement-Phase I		180,000	180,000	100,000	100,000
Federal Funds	690,000	690,000	690,000	690,000	690,000
TOTAL EXPENDITURES	3,822,800	7,082,600	7,104,300	7,656,500	7,659,700

The Division of Child Abuse and Domestic Violence Services was established in KRS 194A.092 to address the need to increase the financial and programmatic efficiency and accountability of state and community systems and other organizations that provide services to victims of child abuse, domestic violence and sexual assault. Division staff serve as program managers for both the state network of Children's Advocacy Centers and the state network of Rape Crisis Centers. The Division is further charged with providing new and progressive initiatives to improve and enhance the delivery of services to victims of child abuse, domestic violence, and rape or sexual assault.

Additionally, KRS 403.700 provides that the Governor's Council on Domestic Violence and Sexual Assault shall be attached to the Division of Child Abuse and Domestic Violence Services. The statute further provides that the secretaries for the Justice and Public Safety Cabinet and the Cabinet for Health and Family Services shall provide the necessary staff to assist the council in carrying out its duties and responsibilities.

Policy

The Budget of the Commonwealth includes General Fund and Tobacco Fund resources totaling \$1.2 million each fiscal year for Children's Advocacy Center grants previously administered by the Department for Community Based Services.

Additional General Fund in the amount of \$1,000,000 each fiscal year is included in the Budget of the Commonwealth to increase funding to the Children's Advocacy Centers in each district to support base program costs and services of forensic interviewers.

The Budget of the Commonwealth includes additional General Fund in the amount of \$1,000,000 each year of the biennium to increase support to the Rape Crisis Centers in each district.

General Fund in the amount of \$677,500 each fiscal year is included in the Budget of the Commonwealth to provide increased Domestic Violence services to each district.

**Health and Family Services
Human Support Services
Ky Commission on Community Volunteerism and Services**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	226,500	296,200	309,000	215,600	216,000
Salary Compensation Fund	3,200				
Base Deduction	-30,400				
Total General Fund	<u>199,300</u>	<u>296,200</u>	<u>309,000</u>	<u>215,600</u>	<u>216,000</u>
Restricted Funds					
Non-Revenue Receipts	126,000	126,000	126,000	126,000	126,000
Total Restricted Funds	<u>126,000</u>	<u>126,000</u>	<u>126,000</u>	<u>126,000</u>	<u>126,000</u>
Federal Funds					
Balance Forward	6,200				
Current Receipts	2,522,000	2,600,800	2,613,500	2,479,000	2,484,200
Total Federal Funds	<u>2,528,200</u>	<u>2,600,800</u>	<u>2,613,500</u>	<u>2,479,000</u>	<u>2,484,200</u>
TOTAL SOURCE OF FUNDS	<u>2,853,500</u>	<u>3,023,000</u>	<u>3,048,500</u>	<u>2,820,600</u>	<u>2,826,200</u>
EXPENDITURES BY CLASS					
Personnel Cost	318,200	459,900	486,900	325,400	331,000
Operating Expenses	268,500	301,000	299,500	233,100	233,100
Grants, Loans or Benefits	2,266,800	2,262,100	2,262,100	2,262,100	2,262,100
TOTAL EXPENDITURES	<u>2,853,500</u>	<u>3,023,000</u>	<u>3,048,500</u>	<u>2,820,600</u>	<u>2,826,200</u>
EXPENDITURES BY FUND SOURCE					
General Fund	199,300	296,200	309,000	215,600	216,000
Restricted Funds	126,000	126,000	126,000	126,000	126,000
Federal Funds	2,528,200	2,600,800	2,613,500	2,479,000	2,484,200
TOTAL EXPENDITURES	<u>2,853,500</u>	<u>3,023,000</u>	<u>3,048,500</u>	<u>2,820,600</u>	<u>2,826,200</u>

The Kentucky Commission for Community Volunteerism and Services (KCCVS) was created in 1994 to serve as a conduit for federal funds that support AmeriCorps programs in the Commonwealth and to assume responsibility for the statewide coordination of volunteer activities. Executive Order 2004-726 reorganized the administrative support and oversight unit of the Commission from an office to a division.

KCCVS currently administers eight federally funded AmeriCorps programs. Three of these were awarded to Kentucky through a competitive application process while the remaining five are formula based. Federal funds are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide household budget training, home renovation assistance, life skills training, and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in elementary and secondary schools and assist parents in developing skills to help their children learn to read. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. AmeriCorps alumni in Kentucky have received more than \$10,000,000 in federal educational vouchers for their years of service.

The most recent KCCVS program centers on Homeland Security efforts. Basic security measures addressing natural, environmental, or terrorist disasters are taught to area residents. Members frequently go door-to-door in an attempt to provide critical information, or they may serve with local disaster relief organizations. In addition, America's Promise - The Alliance for Youth is coordinated through KCCVS.

**Health and Family Services
Human Support Services
Aging Services**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	26,901,700	33,424,000	34,486,600	31,675,300	32,954,000
Salary Compensation Fund	19,600				
Total General Fund	26,921,300	33,424,000	34,486,600	31,675,300	32,954,000
Restricted Funds					
Balance Forward	145,800	156,500	156,500		
Current Receipts	70,600	70,600	70,600	70,600	70,600
Non-Revenue Receipts	560,000			460,000	460,000
Fund Transfers	-156,500				
Total Restricted Funds	619,900	227,100	227,100	530,600	530,600
Federal Funds					
Balance Forward	247,400				
Current Receipts	20,769,100	23,026,000	23,439,600	21,016,500	21,016,500
Total Federal Funds	21,016,500	23,026,000	23,439,600	21,016,500	21,016,500
TOTAL SOURCE OF FUNDS	48,557,700	56,677,100	58,153,300	53,222,400	54,501,100
EXPENDITURES BY CLASS					
Personnel Cost	1,816,100	2,201,200	2,315,000	1,820,900	1,849,600
Operating Expenses	196,200	214,500	213,000	156,100	156,100
Grants, Loans or Benefits	46,545,400	54,104,900	55,468,800	51,245,400	52,495,400
TOTAL EXPENDITURES	48,557,700	56,520,600	57,996,800	53,222,400	54,501,100
EXPENDITURES BY FUND SOURCE					
General Fund	26,921,300	33,424,000	34,486,600	31,675,300	32,954,000
Restricted Funds	619,900	70,600	70,600	530,600	530,600
Federal Funds	21,016,500	23,026,000	23,439,600	21,016,500	21,016,500
TOTAL EXPENDITURES	48,557,700	56,520,600	57,996,800	53,222,400	54,501,100

The Division of Aging Services is designated as the State Unit on Aging by the Federal Administration on Aging. In accordance with the Older Americans Act Amendments of 1965 as amended through December 2000, and 45 CFR 1321, the Division is responsible for aging issues on behalf of all older persons in Kentucky. The Division is required to carry out a wide range of functions related to service delivery, advocacy, planning, coordination, interagency linkages, information-sharing, brokering, evaluation, as well as to function as a principal clearinghouse and single point of contact for the flow of information to senior citizens, policymakers, and the public. These functions are intended to focus on the development or enhancement of comprehensive and coordinated community-based service systems designed to help elderly and adult Kentuckians maintain independence and dignity in their own homes and communities. This focus on community-based alternatives is consistent with Kentucky's plan developed in response to the Olmstead Decision of the Supreme Court.

Services are provided through two discrete activities, implementing the Older Americans Act and providing community services. The Older Americans Act (PL 98-459) (KRS 205, KRS 209) programs provide for: Nutrition Services; Supportive Services; Long-term Ombudsman Program; Family Caregiver Support Program; and, Senior Community Services Employment Program (Title V). Community Services include: Adult Day and Alzheimer's Respite (KRS 209); Personal Care Attendant Program for Physically Disabled Adults (KRS 205.905); Homecare Program (KRS 205.455-465); State Health Insurance Assistance Program (Section 4360 OBRA 1990, PL 101-508); Assisted Living Facility Certification (KRS 194A.050 (1), 194A.707(1)); and Adult Day Certification.

Policy

Restricted Fund money in the amount of \$100,000 is provided in fiscal year 2006 to assist Kentucky's 15 Area Agencies on Aging (AAA) with increased motor fuel costs associated with home delivered services.

The Budget of the Commonwealth includes Restricted Funds in the amount of \$460,000 each fiscal year to continue the Long-Term Care Ombudsman program.

General Fund money in the amount of \$3,500,000 in fiscal year 2007 and \$4,000,000 in fiscal year 2008 is included in the Budget of the Commonwealth to increase funding for the Homecare Program, the Personal Care Attendant Program, and the non-medical Adult Day Care Program.

The Budget of the Commonwealth includes General Fund in the amount of \$1,250,000 in fiscal year 2007 and \$2,000,000 in fiscal year 2008 for the expansion of the Kentucky Family Caregiver Program to provide assistance grants or vouchers to grandparents who are the primary caregivers of their grandchildren. To be eligible for this program, a grandparent may not have annual income that exceeds 150 percent of the federal poverty level and may not be receiving payments from the Kinship Care Program.

General Fund in the amount of \$50,000 each year is included in the Budget of the Commonwealth to create a pilot program for dementia training for long-term care facilities.

**Health and Family Services
Human Support Services
Women's Physical & Mental Health**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	205,900	278,700	291,200	187,600	190,500
Salary Compensation Fund	4,000				
Base Deduction	-7,400				
Total General Fund	202,500	278,700	291,200	187,600	190,500
Federal Funds					
Current Receipts	3,000				
Total Federal Funds	3,000				
TOTAL SOURCE OF FUNDS	205,500	278,700	291,200	187,600	190,500
EXPENDITURES BY CLASS					
Personnel Cost	170,500	240,300	254,300	175,700	178,600
Operating Expenses	32,000	38,400	36,900	11,900	11,900
Grants, Loans or Benefits	3,000				
TOTAL EXPENDITURES	205,500	278,700	291,200	187,600	190,500
EXPENDITURES BY FUND SOURCE					
General Fund	202,500	278,700	291,200	187,600	190,500
Federal Funds	3,000				
TOTAL EXPENDITURES	205,500	278,700	291,200	187,600	190,500

KRS 194A.095 established the first Office of Women's Health in 1998. This office officially opened in October, 2000 after the 2000 General Assembly changed the name to the Office of Women's Physical and Mental Health (OWPMH) to emphasize mental health issues of importance to women, along with traditional physical health issues. At that time, the Office was attached to the Office of the Secretary of the Cabinet for Health Services. In 2004, Executive Order 2004-726 abolished the OWPMH and created the Division of Women's Physical and Mental Health in the Department for Human Support Services within the Cabinet for Health and Family Services. The purpose of the division is to serve as a repository for data and information affecting women's health and mental health; analyzing and communicating trends in women's health issues and mental health; recommending data elements affecting women's health and mental health that should be collected, analyzed and reported; and administering a Women's Health Resource Center to focus on targeted preventive and comprehensive health education. The initial legislation emphasizes using all forms of media to communicate health trends and preventive measures.

In conjunction with Women's Health Awareness Month in May 2002, the former Office of Women's Physical and Mental Health released the first comprehensive report on the health status of Kentucky's women: Kentucky Women's Health 2002: Data, Developments and Decisions. This 125-page report is a compilation of statistical data on numerous women's health issues, including hypertension, diabetes, cancer, heart disease, and osteoporosis and aging issues such as home health services and caregiver stress. Also in compliance with its mandate, the program created and maintains a comprehensive web-based Women's Health Resource Center with data and information specific to women's health in Kentucky.

**Health and Family Services
Ombudsman**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,767,200	4,207,100	4,402,900	3,568,400	3,534,400
Salary Compensation Fund	40,700				
Base Deduction	-188,400				
Total General Fund	3,619,500	4,207,100	4,402,900	3,568,400	3,534,400
Restricted Funds					
Balance Forward	1,600				
Non-Revenue Receipts	50,000	50,000	50,000	50,000	50,000
Fund Transfers	-1,600				
Total Restricted Funds	50,000	50,000	50,000	50,000	50,000
Federal Funds					
Balance Forward	262,200				
Current Receipts	1,972,600	2,616,100	2,746,700	2,203,600	2,183,000
Total Federal Funds	2,234,800	2,616,100	2,746,700	2,203,600	2,183,000
TOTAL SOURCE OF FUNDS	5,904,300	6,873,200	7,199,600	5,822,000	5,767,400
EXPENDITURES BY CLASS					
Personnel Cost	5,406,100	6,277,100	6,625,500	5,323,800	5,269,200
Operating Expenses	498,200	596,100	574,100	498,200	498,200
TOTAL EXPENDITURES	5,904,300	6,873,200	7,199,600	5,822,000	5,767,400
EXPENDITURES BY FUND SOURCE					
General Fund	3,619,500	4,207,100	4,402,900	3,568,400	3,534,400
Restricted Funds	50,000	50,000	50,000	50,000	50,000
Federal Funds	2,234,800	2,616,100	2,746,700	2,203,600	2,183,000
TOTAL EXPENDITURES	5,904,300	6,873,200	7,199,600	5,822,000	5,767,400

The Office of the Ombudsman consists of the Complaint Review Branch, the Quality Control Branch, the Performance Enhancement Branch, the Long Term Care Ombudsman Program and the Institutional Review Board.

The Complaint Review Branch handles calls and correspondence concerning programs under the Department for Community Based Services, the Department for Medicaid Services, the Department for Mental Health/Mental Retardation Services and the Department for Public Health. The Branch issues reports to these agencies concerning complaint trends and patterns and recommends corrective action.

The Quality Control Branch consists of two sections, the Public Assistance Review Section and the Food Stamp Review Section.

The Public Assistance Review Section conducts statewide Medicaid quality control reviews to comply with state and federal Medicaid quality control standards. Reviews include Kentucky Works Program cases, Medicaid and adult medical cases. Reports are prepared for the federal government, the Cabinet, the Department for Community Based Services and the Department for Medicaid Services.

The Food Stamp Review Section conducts Food Stamp quality control reviews, provides information to the federal government, the Cabinet and the Department for Community Based Services and prepares the annual state Food Stamp Quality Control Sampling Plan.

The Performance Enhancement Branch consists of three sections, the Quality Assurance Section, the Management Evaluation Section, and the Program Access and Compliance Section.

The Quality Assurance Section determines administrative hearing eligibility for the Department for Community Based Services - Division of Protection and Permanency service complaints and requests to appeal child abuse and/or child neglect substantiation. This section also coordinates, conducts, analyzes, and issues reports on the Kentucky Child and Family Services Review in accordance with the federally mandated Program Improvement Plan. The section coordinates record keeping for the Continuous Quality Improvement Peer Review process within the Division of Protection and Permanency.

The Management Evaluation Section conducts federal management evaluation reviews for the Food Stamp program. This section assists in writing county and regional corrective action plans and conducts exit conferences with field staff in all Kentucky counties. This section also prepares the federal food stamp corrective action state plan and ensures continuous error identifications and revises local and regional plans accordingly.

The Program Access and Compliance Section performs federally mandated Food Stamp access reviews of local offices to insure they comply with regulations to provide eligible clients access to services. Follow-up and exit interviews are conducted in each office. This section also seeks to identify potential barriers, works to resolve those problems and implements corrective action and continuous monitoring.

The Kentucky Long-Term Care Ombudsmen Program identifies, investigates and helps resolve complaints made by or on behalf of residents of long-term care facilities (including nursing homes, personal care homes and family care homes). The Long-Term Care Ombudsmen also advocate for changes to improve residents' quality of life and care.

**Health and Family Services
Disability Determination Services**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	2,400				
Non-Revenue Receipts	65,800	65,800	65,800	65,800	65,800
Fund Transfers	-2,400				
Total Restricted Funds	65,800	65,800	65,800	65,800	65,800
Federal Funds					
Balance Forward	209,400				
Current Receipts	44,482,800	49,384,000	50,974,900	48,584,000	50,174,900
Total Federal Funds	44,692,200	49,384,000	50,974,900	48,584,000	50,174,900
TOTAL SOURCE OF FUNDS	44,758,000	49,449,800	51,040,700	48,649,800	50,240,700
EXPENDITURES BY CLASS					
Personnel Cost	28,178,000	32,047,900	33,641,300	29,777,800	30,715,300
Operating Expenses	3,430,000	3,469,100	3,466,600	3,469,100	3,466,600
Grants, Loans or Benefits	13,150,000	13,932,800	13,932,800	15,402,900	16,058,800
TOTAL EXPENDITURES	44,758,000	49,449,800	51,040,700	48,649,800	50,240,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	65,800	65,800	65,800	65,800	65,800
Federal Funds	44,692,200	49,384,000	50,974,900	48,584,000	50,174,900
TOTAL EXPENDITURES	44,758,000	49,449,800	51,040,700	48,649,800	50,240,700

The Department for Disability Determination Services (DDDS) determines medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government. The DDDS reevaluates the claims of disability recipients who have been selected for a periodic review of their medical condition and conducts face-to-face evidentiary hearings for those individuals who appeal an unfavorable review of their continuing eligibility.

The Department for Disability Determination Services workload depends upon: 1) the number of individuals who apply for disability benefits through the Social Security Administration (SSA); 2) the number of claims that SSA selects for continuing review and sends to DDDS, and 3) Congressional mandates, legal actions or other initiatives.

Policy

The Budget of the Commonwealth includes increased Federal Funds in the amount of \$1,644,700 in fiscal year 2007 and \$1,750,600 in fiscal year 2008 for 37 additional full-time equivalent positions to support current services.

Federal Fund appropriations above reflect \$800,000 savings each year as a result of funding 34 additional personnel in the Office of the Inspector General to reduce fraud and abuse in federal programs.

**Health and Family Services
Community Based Services**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	300,236,700	351,040,500	371,284,400	316,033,500	341,729,700
Current Year Appropriation	10,000,000				
Salary Compensation Fund	6,888,600				
Total General Fund	317,125,300	351,040,500	371,284,400	316,033,500	341,729,700
Tobacco Settlement-Phase I					
Tobacco Settlement - I	8,300,400	8,120,400	8,120,400	6,970,400	7,420,400
Continuing Appropriation	127,400				
Total Tobacco Settlement-Phase I	8,427,800	8,120,400	8,120,400	6,970,400	7,420,400
Restricted Funds					
Balance Forward	13,464,900	11,505,700	10,544,600	6,862,100	104,800
Current Receipts	125,577,500	136,116,600	133,442,400	134,691,300	136,443,500
Non-Revenue Receipts	-9,480,900	-6,465,800	-4,661,100	-7,942,800	-247,000
Total Restricted Funds	129,561,500	141,156,500	139,325,900	133,610,600	136,301,300
Federal Funds					
Balance Forward	11,373,900				
Current Receipts	503,240,100	534,742,300	546,789,300	511,118,200	523,230,400
Total Federal Funds	514,614,000	534,742,300	546,789,300	511,118,200	523,230,400
TOTAL SOURCE OF FUNDS	969,728,600	1,035,059,700	1,065,520,000	967,732,700	1,008,681,800
EXPENDITURES BY CLASS					
Personnel Cost	245,277,400	282,652,800	297,816,600	249,072,200	252,428,800
Operating Expenses	44,006,300	49,110,900	50,006,500	41,483,700	41,510,400
Grants, Loans or Benefits	673,582,800	692,751,400	714,490,000	677,072,000	714,261,600
Debt Service					385,000
TOTAL EXPENDITURES	962,866,500	1,024,515,100	1,062,313,100	967,627,900	1,008,585,800
EXPENDITURES BY FUND SOURCE					
General Fund	317,125,300	351,040,500	371,284,400	316,033,500	341,633,700
Tobacco Settlement-Phase I	8,427,800	8,120,400	8,120,400	6,970,400	7,420,400
Restricted Funds	122,699,400	130,611,900	136,119,000	133,505,800	136,301,300
Federal Funds	514,614,000	534,742,300	546,789,300	511,118,200	523,230,400
TOTAL EXPENDITURES	962,866,500	1,024,515,100	1,062,313,100	967,627,900	1,008,585,800
EXPENDITURES BY UNIT					
Family Support	312,560,000	321,160,500	327,543,900	302,160,300	304,647,100
Child Support	52,277,600	60,858,100	61,438,300	53,024,600	53,711,100
Energy	41,177,000	28,840,500	28,842,600	28,840,500	28,842,600
Child Care	167,029,700	170,962,800	171,161,100	169,892,400	170,540,800
Family and Community Services	389,822,200	442,693,200	473,327,200	413,710,100	450,844,200
TOTAL EXPENDITURES	962,866,500	1,024,515,100	1,062,313,100	967,627,900	1,008,585,800

The Department for Community Based Services is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families, Food Stamps, Medicaid Eligibility, and State Supplementation), Child

Support, Energy Assistance, Child Care, and Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children).

These programs benefit Kentuckians who, because of social, educational, mental, or physical impairments are without sufficient resources to meet their basic needs. The Department's mission is to preserve the family as a unit when possible and protect individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals.

**Health and Family Services
Community Based Services
Family Support**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	121,749,900	126,934,400	128,709,200	122,552,400	123,187,200
Total General Fund	121,749,900	126,934,400	128,709,200	122,552,400	123,187,200
Restricted Funds					
Balance Forward	5,386,600				
Current Receipts		450,000	450,000	450,000	450,000
Non-Revenue Receipts	11,836,700	18,098,300	19,065,400	16,089,900	16,291,800
Total Restricted Funds	17,223,300	18,548,300	19,515,400	16,539,900	16,741,800
Federal Funds					
Balance Forward	1,511,500				
Current Receipts	172,075,300	175,677,800	179,319,300	163,068,000	164,718,100
Total Federal Funds	173,586,800	175,677,800	179,319,300	163,068,000	164,718,100
TOTAL SOURCE OF FUNDS	312,560,000	321,160,500	327,543,900	302,160,300	304,647,100
EXPENDITURES BY CLASS					
Personnel Cost	101,830,500	117,037,900	123,047,300	102,900,300	103,868,100
Operating Expenses	19,031,800	19,816,700	19,902,600	17,791,000	17,816,000
Grants, Loans or Benefits	191,697,700	184,305,900	184,594,000	181,469,000	182,963,000
TOTAL EXPENDITURES	312,560,000	321,160,500	327,543,900	302,160,300	304,647,100
EXPENDITURES BY FUND SOURCE					
General Fund	121,749,900	126,934,400	128,709,200	122,552,400	123,187,200
Restricted Funds	17,223,300	18,548,300	19,515,400	16,539,900	16,741,800
Federal Funds	173,586,800	175,677,800	179,319,300	163,068,000	164,718,100
TOTAL EXPENDITURES	312,560,000	321,160,500	327,543,900	302,160,300	304,647,100
EXPENDITURES BY UNIT					
Food Stamps	55,236,100	62,350,700	65,329,500	54,277,300	54,932,100
Medical Assistance	31,769,800	36,325,700	38,259,900	32,309,100	32,714,500
State Supplementation	21,776,800	21,807,800	22,101,300	21,774,400	22,055,600
TANF	203,777,300	200,676,300	201,853,200	193,799,500	194,944,900
TOTAL EXPENDITURES	312,560,000	321,160,500	327,543,900	302,160,300	304,647,100

The Family Support Program consists of the following programs: Temporary Assistance to Needy Families (TANF), Food Stamps, Medicaid Eligibility, and State Supplementation.

The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Kentucky Transitional Assistance Program; Women, Infants and Children Program; Medicaid; or Food Stamps; as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. These agencies are mandated to distribute voter registration forms, provide assistance in completing these forms, and ensure completed forms reach the proper state election office for processing.

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) amended and combined Title IV-A (AFDC) and Title IV-F (JOBS) of the Social Security Act to provide block grants to states for TANF. These Federal

Funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend an amount equal to or greater than 80 percent of fiscal year 1994 expenditures. For Kentucky, this amount is \$71.9 million. Congress is expected to reauthorize the welfare reform program but there may be significant changes including increasing the number of hours of participation, narrowing of direct work activities, and universal participation requirements.

The Kentucky Transitional Assistance Program (K-TAP) is the Commonwealth's cash assistance program for families with a dependent child who is deprived of parental support due to the continued absence, unemployment, incapacity, or death of one or both parents. Eligibility requirements include residency, age, and enumeration. Monthly payments are designed to help adults find a job or obtain training that leads to employment. Gross income must fall below a level appropriate for the family's size, and total family resources cannot exceed agency limits.

The Kentucky Works Program assists recipients with their transition into the workforce and attainment of self-sufficiency. Adults receiving K-TAP benefits must participate in this program and, with the help of a case manager, develop a Transitional Assistance Agreement. Kentucky Works Program activities include employment, on-the-job training, work experience training programs, a job search/job readiness component, vocational training or other educational services, community service, high school completion for teen parents, and other activities necessary to prepare for employment. Referrals to providers of transportation, child care, and supportive services such as car repairs and supplies ensure that individuals are able to take part in this program.

Safety Net Services are available to former K-TAP families who lose cash assistance as a result of time limits or failure to complete an assessment for Kentucky Works. Families with an income at or below 200 percent of the federal poverty level can access temporary benefits to meet basic needs such as shelter, food, clothing, or utilities. A total of \$635 may be authorized for four months during a 12-month period.

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period.

The Kinship Care Program provides financial assistance and support services to non-parental relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. An initial, one-time amount is available to address each child's immediate needs in this new environment.

Efforts continue to partner with local communities to achieve the goals of self-sufficiency, protection, and permanency for Kentucky's families. The flexibility of the TANF block grant has allowed the Department to pursue initiatives such as change management and organizational restructuring and, as a result, better address the needs of those striving to escape a life of dependency.

Food Stamps

The Food Stamp program, authorized by the Food Stamp Act of 1997 (PL 95-113), helps low-income persons purchase food for a nutritional diet. It is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. A household, which is defined as any individual, family, or group of people living with each other who buy and prepare food together, must meet eligibility standards.

The Food Stamp Employment and Training (FS E&T) program is designed to assist able-bodied food stamp recipients obtain employment that leads to self-sufficiency. This initiative, mandated in 1987 as a result of amendments to the Food Stamp Act, requires that work registrants in the 63 FS E&T designated counties participate in either vocational education training or a Work Experience Program. The remaining counties received waivers for E & T participation due to unemployment rates greater than ten percent. In August 1997, Public Law 105-33 amended the Food Stamp Act and the Food Stamp Employment and Training Program to mandate that 80 percent of federal FS E&T funding be spent on able-bodied adults between the ages of 18-49 who lack dependents, are placed in and comply with the requirements of a work program, and meet the eligibility standards of 7 U.S.C. 2015(o). The Farm Security and Rural Investment Act of 2002 (PL 107-171) subsequently eliminated the 80 percent employment and training requirement, but Kentucky continues to serve only able-bodied adults without dependents.

Medicaid Eligibility

The Department for Community Based Services (DCBS), using staff in field offices located in each Kentucky county, determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520.

State Supplementation

The State Supplementation Program, authorized by KRS 205.245, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home, or to purchase caretaker services designed to prevent institutionalization. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, enumeration and special needs.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$277,500 in fiscal year 2008 to support the annual cost of living adjustment provided for State Supplementation recipients.

The Medicaid Eligibility contract between the Department for Community Based Services and the Department for Medicaid Services referenced above includes the following funding:

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>
State Funds	\$16,089,900	\$16,291,800
Federal Funds	<u>16,219,200</u>	<u>16,422,700</u>
Total Medicaid Eligibility Contract	\$32,309,100	\$32,714,500

The state funded portion of the Medicaid Eligibility contract included above shall be transferred from the Department for Medicaid Services.

**Health and Family Services
Community Based Services
Child Support**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,678,000	5,798,700	5,995,900	4,678,000	4,678,000
Total General Fund	4,678,000	5,798,700	5,995,900	4,678,000	4,678,000
Restricted Funds					
Balance Forward	5,161,300	4,643,600	3,937,800		
Current Receipts	7,904,200	13,906,000	13,721,600	13,319,500	18,104,700
Total Restricted Funds	13,065,500	18,549,600	17,659,400	13,319,500	18,104,700
Federal Funds					
Balance Forward	1,948,800				
Current Receipts	32,585,300	40,447,600	40,830,600	35,027,100	30,928,400
Total Federal Funds	34,534,100	40,447,600	40,830,600	35,027,100	30,928,400
TOTAL SOURCE OF FUNDS	52,277,600	64,795,900	64,485,900	53,024,600	53,711,100
EXPENDITURES BY CLASS					
Personnel Cost	7,520,000	8,631,100	9,146,600	7,706,000	7,823,700
Operating Expenses	3,919,400	5,261,100	5,261,100	3,919,400	3,919,400
Grants, Loans or Benefits	40,838,200	46,965,900	47,030,600	41,399,200	41,968,000
TOTAL EXPENDITURES	52,277,600	60,858,100	61,438,300	53,024,600	53,711,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,678,000	5,798,700	5,995,900	4,678,000	4,678,000
Restricted Funds	13,065,500	14,611,800	14,611,800	13,319,500	18,104,700
Federal Funds	34,534,100	40,447,600	40,830,600	35,027,100	30,928,400
TOTAL EXPENDITURES	52,277,600	60,858,100	61,438,300	53,024,600	53,711,100

The Child Support Program under Title IV-D of the Social Security Act (PL 93-647) is designed to ensure that children are financially supported by parents who are legally obligated to pay child support. Both the state and federal governments share costs to conduct this program. State statutes governing the operation of this program were enacted under the Kentucky Child Support Recovery Act and are contained in KRS 205.710 - KRS 205.800.

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support as well as the enforcement and collection of spousal support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Division of Child Support maintains program administration contracts with 110 county officials to provide child support collection locally.

Child support services are automatically provided to families receiving assistance under the Kentucky Transitional Assistance Program (K-TAP) or Medicaid, and for children placed in the care of the Cabinet for Health and Family Services. Payment collected for families receiving K-TAP and children in the care of the Cabinet for Health and Family Services is used to reimburse the state and federal governments for benefits expended on behalf of those families and children. Families that do not participate in the cash or medical assistance programs may also apply for child support services at no cost to the family.

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, created new

requirements for the child support program. Through contracts with private vendors, this program receives new-hire information from employers and asset data from financial institutions. A state case registry has been established and data is transmitted to the federal case registry to assist in locating out-of-state parents. The State Disbursement Unit is a centralized collection site for all child support payments, including non-Title IV-D wages. These are private child support cases in which payments are withheld from the parent's wages. State services provided in these cases are limited to receiving payments from the employer, disbursing the payment to the family, and maintaining fiscal records.

The Personal Responsibility and Work Opportunity Reconciliation Act also revised the method for calculating incentive payments from one that focused solely on program processes to one based on program outcomes. Under this new plan, a pool of funds has been created for incentive payments to all states. However, only those states which meet the performance criteria in each of five program areas are eligible to receive a portion of the pool.

**Health and Family Services
Community Based Services
Energy**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Current Year Appropriation	10,000,000				
Total General Fund	10,000,000				
Federal Funds					
Balance Forward	2,200				
Current Receipts	31,174,800	28,840,500	28,842,600	28,840,500	28,842,600
Total Federal Funds	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
TOTAL SOURCE OF FUNDS	41,177,000	28,840,500	28,842,600	28,840,500	28,842,600
EXPENDITURES BY CLASS					
Personnel Cost	364,500	415,200	439,700	371,500	379,500
Operating Expenses	71,300	74,100	75,000	74,100	75,000
Grants, Loans or Benefits	40,741,200	28,351,200	28,327,900	28,394,900	28,388,100
TOTAL EXPENDITURES	41,177,000	28,840,500	28,842,600	28,840,500	28,842,600
EXPENDITURES BY FUND SOURCE					
General Fund	10,000,000				
Federal Funds	31,177,000	28,840,500	28,842,600	28,840,500	28,842,600
TOTAL EXPENDITURES	41,177,000	28,840,500	28,842,600	28,840,500	28,842,600
EXPENDITURES BY UNIT					
LIHEAP	33,644,200	20,454,900	20,458,400	20,454,900	20,458,400
Weatherization	7,532,800	8,385,600	8,384,200	8,385,600	8,384,200
TOTAL EXPENDITURES	41,177,000	28,840,500	28,842,600	28,840,500	28,842,600

The Low Income Home Energy Assistance Program and the Weatherization Assistance Program administered through the Department for Community Based Services are federally funded programs that help low-income households meet the cost of energy expenses through direct fuel bill subsidies or energy conservation repairs to their homes.

The Home Energy Assistance Program, authorized by KRS 205.400, provides support with home heating/cooling costs for low-income households. Eligibility criteria include: income that does not exceed 110 percent of the federal poverty level; resources that total less than \$1,500 (or \$4,000 if there is a catastrophic illness in the household); and the responsibility for home heating expenses. This program is divided into two segments: Subsidy, which provides heating assistance benefits to eligible households; and Crisis, which is designed to assist any low-income family experiencing a home energy emergency. Services include accepting applications, determining eligibility, implementing an outreach component, and coordinating this program with other energy assistance initiatives.

The Weatherization Assistance Program is designed to reduce energy consumption, lower heating bills, and ensure the health and safety of families whose annual income is at or below 125 percent of the federal poverty level. Funds are provided to conduct energy audits and heat system safety tests and repairs, reduce air infiltration, install insulation, and perform other energy-related conservation measures.

Policy

The Budget of the Commonwealth includes additional Federal Fund money in the amount of \$7,996,000 in fiscal

year 2006 to provide home heating assistance to low-income families.

General Fund in the amount of \$10,000,000 is included in fiscal year 2006 to provide home heating assistance to low-income families as provided by House Bill 283 of the 2006 Regular Session of the General Assembly, which was signed into law on January 31, 2006.

**Health and Family Services
Community Based Services
Child Care**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	20,363,000	20,363,000	20,363,000	20,363,000	20,363,000
Total General Fund	20,363,000	20,363,000	20,363,000	20,363,000	20,363,000
Tobacco Settlement-Phase I					
Tobacco Settlement - I	8,120,400	8,120,400	8,120,400	6,970,400	7,420,400
Total Tobacco Settlement-Phase I	8,120,400	8,120,400	8,120,400	6,970,400	7,420,400
Restricted Funds					
Balance Forward	234,600	209,500	184,400	209,500	104,800
Current Receipts	78,000	78,000	78,000	78,000	78,000
Total Restricted Funds	312,600	287,500	262,400	287,500	182,800
Federal Funds					
Balance Forward	1,008,200				
Current Receipts	137,435,000	142,376,300	142,574,600	142,376,300	142,574,600
Total Federal Funds	138,443,200	142,376,300	142,574,600	142,376,300	142,574,600
TOTAL SOURCE OF FUNDS	167,239,200	171,147,200	171,320,400	169,997,200	170,540,800
EXPENDITURES BY CLASS					
Personnel Cost	9,795,600	9,998,000	10,096,800	9,836,100	9,856,900
Operating Expenses	588,700	602,700	617,000	468,400	469,200
Grants, Loans or Benefits	156,645,400	160,362,100	160,447,300	159,587,900	160,214,700
TOTAL EXPENDITURES	167,029,700	170,962,800	171,161,100	169,892,400	170,540,800
EXPENDITURES BY FUND SOURCE					
General Fund	20,363,000	20,363,000	20,363,000	20,363,000	20,363,000
Tobacco Settlement-Phase I	8,120,400	8,120,400	8,120,400	6,970,400	7,420,400
Restricted Funds	103,100	103,100	103,100	182,700	182,800
Federal Funds	138,443,200	142,376,300	142,574,600	142,376,300	142,574,600
TOTAL EXPENDITURES	167,029,700	170,962,800	171,161,100	169,892,400	170,540,800

Under KRS Chapter 199, the Department for Community Based Services, through the Division of Child Care, manages day care services in the Commonwealth. The child care services are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need have access to high quality child care which is developmentally appropriate, affordable, and safe. In the context of comprehensive family services, child care is one of the support services directed at:

- Preventing or remedying abuse, neglect or exploitation of children,
- Preventing family dissolution,
- Preventing out-of-home placements,
- Providing early educational opportunities for at-risk children, and
- Strengthening and maintaining client families.

Priorities for allocation of available funds have been to meet protective services child care and child care needs for work participation requirements for the families receiving benefits through the Kentucky Temporary Assistance Program (K-

TAP). Failure to meet participation requirements would result in substantial penalties and the loss of Federal Funds. After these priorities are met, remaining funds are used to provide child care subsidies for low-income working parents. This includes families who are transitioning from K-TAP and those who would be at risk of becoming dependent on K-TAP if child care were not available.

The cost of services for working parents is partially offset by a sliding fee scale under which parents pay a portion of the expense based on their income and family size. Child care assistance provided to families as a result of protective services is available without regard to income. In addition, child care is provided for 12 months following discontinuance of K-TAP benefits due to employment.

The Cabinet's Division of Child Care collaborates with the Division of Early Childhood Development Services and other public and private entities in the development and implementation of the Early Childhood Development initiatives. A portion of the tobacco settlement funds may be used to match Federal Funds to support various quality initiatives. Early care and education have been enhanced through a voluntary, research based, four star child care quality rating system (STARS for KIDS NOW) for centers and certified family child care homes. This program includes quality incentives and achievement awards for participants. Increased quality, availability, and affordability of training for all early care and education professionals has been supported by a seamless statewide system of professional development that includes core content, credentials, scholarships, grants, awards, and articulation.

Successful attainment of national child care accreditation and credentials are indicators that a child care program provides quality services. The Division of Child Care is committed to support the professional development of these providers through grants to pay national accreditation and credentialing fees. In addition, this division collaborates with the Kentucky Child Care Network (KCCN) to improve the number of quality child care resources in the Commonwealth. With the Division's assistance, KCCN provides technical support and training to childcare programs and serves as a resource for parents in obtaining quality childcare.

**Health and Family Services
Community Based Services
Family and Community Services**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	153,445,800	197,944,400	216,216,300	168,440,100	193,501,500
Salary Compensation Fund	6,888,600				
Total General Fund	160,334,400	197,944,400	216,216,300	168,440,100	193,501,500
Tobacco Settlement-Phase I					
Tobacco Settlement - I	180,000				
Continuing Appropriation	127,400				
Total Tobacco Settlement-Phase I	307,400				
Restricted Funds					
Balance Forward	2,682,400	6,652,600	6,422,400	6,652,600	
Current Receipts	117,595,300	121,682,600	119,192,800	120,843,800	117,810,800
Non-Revenue Receipts	-21,317,600	-24,564,100	-23,726,500	-24,032,700	-16,538,800
Total Restricted Funds	98,960,100	103,771,100	101,888,700	103,463,700	101,272,000
Federal Funds					
Balance Forward	6,903,200				
Current Receipts	129,969,700	147,400,100	155,222,200	141,806,300	156,166,700
Total Federal Funds	136,872,900	147,400,100	155,222,200	141,806,300	156,166,700
TOTAL SOURCE OF FUNDS	396,474,800	449,115,600	473,327,200	413,710,100	450,940,200
EXPENDITURES BY CLASS					
Personnel Cost	125,766,800	146,570,600	155,086,200	128,258,300	130,500,600
Operating Expenses	20,395,100	23,356,300	24,150,800	19,230,800	19,230,800
Grants, Loans or Benefits	243,660,300	272,766,300	294,090,200	266,221,000	300,727,800
Debt Service					385,000
TOTAL EXPENDITURES	389,822,200	442,693,200	473,327,200	413,710,100	450,844,200
EXPENDITURES BY FUND SOURCE					
General Fund	160,334,400	197,944,400	216,216,300	168,440,100	193,405,500
Tobacco Settlement-Phase I	307,400				
Restricted Funds	92,307,500	97,348,700	101,888,700	103,463,700	101,272,000
Federal Funds	136,872,900	147,400,100	155,222,200	141,806,300	156,166,700
TOTAL EXPENDITURES	389,822,200	442,693,200	473,327,200	413,710,100	450,844,200
EXPENDITURES BY UNIT					
Family Based Services	95,033,600	111,830,400	117,844,700	97,202,000	98,757,800
Adult Services	32,784,500	36,186,400	37,239,000	32,917,900	33,126,200
Alternatives For Children	262,004,100	294,676,400	318,243,500	283,590,200	318,960,200
TOTAL EXPENDITURES	389,822,200	442,693,200	473,327,200	413,710,100	450,844,200

Family and Community Services provide support at the time of crisis to prevent the disruption of the family unit and to protect individuals from abuse, neglect, and exploitation.

The subprograms contained in Family and Community Services are Family Based Services, Adult Services, and Alternatives for Children. The legal authority for the program is in KRS Chapters 199, 209 (Adult Protection), and 600-645, and in Titles IV, XIX and XX of the Social Security Act.

Family Based Services

Family-based services include child protection, reunification following out-of-home placement, home safety services, preventive services for families, community based juvenile services, family preservation services, mental health services through contracts with local comprehensive care centers, self-help services provided through local child abuse councils, and preventive assistance.

Child Protective Services safeguard the rights and welfare of abused, neglected or dependent children; aid parents or other responsible persons in recognizing and remedying conditions detrimental to the welfare of their children; and identify conditions that contribute to the neglect, abuse, or dependency of children. Child Protective Services are both preventive and corrective in nature. The Department is mandated to receive and investigate reports of the abuse or neglect of children.

Home Safety Services provide in-home support that prevents the disruption of a family unit.

Preventive Services to families who do not qualify for services under other program areas address a family's treatment needs before the situation has escalated to become abusive or neglectful.

The Preventative Assistance Program provides financial assistance to families facing a financial crisis that threatens the family or adult with disruption and out-of-home placement. The program provides a maximum of \$500 per family in a one-year period.

Family Preservation provides crisis intervention and intensive (5-20 hours per week) in-home services to families who have children at imminent risk of removal from their home. Family Reunification Services, which follow the same basic model with less intensive in-home services over a longer duration (up to 6 months), facilitate the successful return of children to the home and decrease the likelihood of repeated child placements.

Self-Help Groups provide support and education for parents in crisis or at risk of further abuse or neglect of children.

Juvenile Services in the Community provide an array of preventive and treatment services for children adjudicated as status offenders under KRS 630. Because status offender behaviors such as running away from home, being beyond parental control and truancy are most often indicative of prior abuse or neglect of the child, services are targeted at prevention of further abuse or neglect and interventions to curb the child's negative behaviors. Appropriate services may be provided directly by DCBS or arranged through local mental health centers, Family Resource and Youth Service Centers, community partnerships, private child care agencies, and other private providers in the community.

Adult Services

Adult Services have three major components: protection, self-support and guardianship. Adult services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and protecting him/her from abuse, neglect or exploitation pursuant to KRS 209. The elements of adult services are: 1) adult protection; 2) spouse abuse protection; 3) adult home safety services (which is the direct provision of home safety services to adults at risk or in need of protection); 4) interdisciplinary evaluations to determine an adult's degree of disability and need for guardianship; 5) services provided by spouse abuse centers and crisis centers; 6) alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements; and 7) preventive services for adults which entails assessment, planning, and guidance to individuals referred by the courts, the Cabinet's ombudsman, neighbors, state and federal legislators or through a self-referral. This often involves finding food, shelter, clothing, and medical treatment. Adult Self-Support includes the Community Services Block Grant, which provides funding for emergency needs of economically disadvantaged citizens. This program helps to alleviate the stresses on the family unit resulting from poverty while promoting self-sufficiency. Adult Guardianship services are provided for legally disabled adult residents of Kentucky for whom the Cabinet has been appointed guardian or conservator. The staff of the Guardianship Branch act as advocates to assure that each client's civil and human rights are preserved and protected, care needs are met, living arrangements are appropriate, entitlement eligibility is maintained, and financial matters are managed.

Pursuant to KRS 209, anyone who knows or suspects that an adult, who because of mental or physical dysfunction, or a spouse (without regard to age) is being abused, neglected or exploited must report this information to the Cabinet for Health and Family Services. The Cabinet is required to investigate the report, notify local law enforcement officials, offer appropriate protection and support services, and maintain case records.

Interdisciplinary Evaluations are court ordered evaluations pursuant to KRS 387.540 performed by a qualified social worker, a physician and a psychologist to assess an adult's degree of disability and to report to the court regarding the need for guardianship.

Spouse Abuse Shelter Services are available in each of the 15 Area Development Districts under a contract between the department and the Kentucky Domestic Violence Association. Part of the funding for this element is provided by a portion of the

marriage license fee as authorized by KRS 209.160.

Alternate Care (also referred to as Placement and Movement) services are essential in providing preventive and protective services. For individuals no longer able to care for themselves or be cared for at home, long term care facility placement is often the best alternative or only solution. The Department for Community Based Services is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid-eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals.

It is estimated that approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The majority of these individuals have family or friends to assist them in finding alternate living arrangements. The Department assists those individuals who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and, thus, promotes cost effectiveness. These services also help ensure that persons assisted receive the care they require.

There are approximately 194 personal care homes and 115 family care homes in Kentucky. As part of Alternate Care, the Department's family service workers make quarterly site visits to each freestanding personal care home and all family care homes to see residents and determine if their social and related needs are being met. Staff also monitors bedfast-waivered individuals monthly. Bedfast-waivered individuals are persons who, because of special considerations, are permitted to remain in personal or family care homes even though their care needs exceed what these homes normally provide. The homes must make special arrangements, with a physician's concurrence, to meet the needs of bedfast-waivered persons.

Alternatives for Children

Alternatives for Children provides placement resources for children who have been or are at risk of being abused or neglected. The legal authority for Alternatives for Children includes: KRS Chapters 199, 600 and 620, Titles IV-B and IV-E, and the Social Services Block Grant. Services are directed toward finding substitute care for children who must live apart from their family; working toward reuniting the child and family; and, if that is not possible, securing an alternative living arrangement which will provide permanency for the child.

Family Foster Care takes place in the home of an agency-approved family. The development of alternative resources such as the Families and Children Together Services (FACTS), Family Preservation Program, Kinship Care, and Preventative Assistance has reduced the trend of more children placed in out-of-home care.

Foster Parent Training, provided by DCBS staff and contractors, is required of all foster parents. Foster parents must complete 30 hours prior to approval and placement of a child and also are required to attend annual in-service training. Parents serving special needs or medically fragile children and those from family treatment homes are required to complete additional training. Care Plus Homes provide a setting where intensively trained foster parents furnish a viable alternative placement resource for children and youth who: have serious emotional problems; are due to be released from treatment facilities; display aggressive or destructive behaviors or other disruptive behaviors; are at risk of being placed in more restrictive settings; are at risk of institutionalization; or have experienced numerous placement failures. Medically Fragile Foster Care serves children who need medical treatment and continuous monitoring but do not necessarily require the daily services of a nurse or doctor. Foster parents caring for these children are provided an increased reimbursement and must meet additional training and certification requirements.

Independent Living services are specialized services, including classroom and experiential training, designed to enhance the self-sufficiency skills of older children in foster care, private child care and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. As they complete each phase of the training, youth receive a stipend. In addition, youth ages 18-21 who were formerly in care may receive room and board assistance for a limited time.

Private Child Caring/Child Placing services and emergency shelter services are essential components of a protective service program that provides temporary placement services for children who are unable to remain in their own homes because of severe abuse, neglect, exploitation, abandonment, and/or because they have specialized treatment needs.

Adoption is the legal process by which a child becomes a legal child of a person or persons other than his/her biological parents. The department provides services prior to adoption in order to bring children and families together and services after adoption through after-placement supervisory services and adoption assistance.

The Adoption 2002 Initiative is a collaborative undertaking between the state and federal governments to double the number of children adopted or placed annually in other permanent homes over a five-year period. This joint effort is designed to engage federal, state, and local governments; child welfare and adoption professionals; community leaders; and other interested citizens in creative and meaningful activities to improve the lives of children by creating permanent homes for them.

The IMPACT Plus Program provides services for children who require treatment due to emotional diagnoses. Medicaid funds

support these services through agreements with specific providers. This program seeks to divert services from inpatient settings to the community level. All children in the IMPACT Plus Program have a team of parents, educators, therapists, social services workers, and others who meet to identify services that will meet the children's unique treatment needs. A health benefits administrator, contracted by the Department for Medicaid Services, certifies children as IMPACT Plus eligible and approves payment for services.

Policy

Additional Federal Funds in the amount of \$8,638,400 are provided in fiscal year 2006 for care and support costs associated with projected increases in the number of children in state care.

The Budget of the Commonwealth includes additional General Fund moneys in fiscal year 2007 in the amount of \$7.4 million and in fiscal year 2008 in the amount of \$22 million to provide out-of-home care services for increasing numbers of children in care.

General Fund in the amount of \$1,000,000 each fiscal year of the biennium is included in the Budget of the Commonwealth to provide assistance grants or vouchers to current or former foster youth ages 18 through 23. These funds shall be utilized by youth for transitional assistance into independence, including but not limited to housing, clothing, transportation, tuition, medical and dental services, and other transitional expenses authorized by the cabinet.

Additional General Fund and Federal Funds are provided in the Budget of the Commonwealth in the amounts of \$4,844,500 and \$3,989,300, respectively in fiscal year 2008 to increase Foster Parent and Adoption Assistance daily reimbursement rates by \$3 per day beginning on July 1, 2007.

The Budget of the Commonwealth includes additional General Fund and Federal Funds in fiscal year 2008 in the amounts of \$2,883,700 and \$544,800, respectively to increase Private Child Care Provider reimbursement rates by \$3 per day beginning on July 1, 2007.

General Fund in the amount of \$961,200 and Federal Funds in the amount of \$181,600 are included in the Budget of the Commonwealth in fiscal year 2008 to create a pool for performance incentives to private child care providers to serve hard-to-place youth beginning on July 1, 2007.

The enacted budget includes General Fund in the amount of \$385,000 in fiscal year 2008 for debt service to support up to \$8,250,000 in new bonds for a matching grant to the Home of the Innocents for Phase II of the Children's Village.

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